IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2010

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

Financial Highlights, compared to the same period last year

- Turnover increased 17% to HK$814.4 million.
- Gross profit increased 7% to HK$262.9 million.
- Total operating expenses decreased 7% to HK$262.9 million.
- PBT of HK$2.9 million (loss of HK$21.0 million last year).
- Attributable loss reduced to HK$1.8 million, compared with the loss of HK$26.4 million last year.
- Group net cash balances of HK$160.4 million (HK$241.5 million last year).

INTERIM RESULTS

The board of directors (the "board") of IDT International Limited (the "Company") hereby announces the condensed results of the Company and its subsidiaries (the "Group") for the six months ended September 30, 2010 prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting". The interim financial information has not been audited, but has been reviewed by the Audit Committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended September 30, 2010 (Unaudited) HK$'M	2009 (Unaudited) HK$'M	Year ended March 31, 2010 (Audited) HK$'M
Turnover	3	814.4	695.0	1,394.9
Cost of goods sold		(551.5)	(449.6)	(903.9)
Gross profit		262.9	245.4	491.0
Other income		6.6	20.8	33.1
Research and development costs		(42.9)	(39.9)	(84.6)
Distribution and selling expenses		(146.5)	(142.1)	(286.5)
General administrative expenses		(73.5)	(101.5)	(235.4)
Interest on bank and other borrowings wholly repayable within five years		(3.7)	(3.7)	(9.3)
Profit/(loss) before taxation	4	2.9	(21.0)	(91.7)
Taxation	5	(3.4)	(2.7)	(63.3)
(Loss) for the period/year		(0.5)	(23.7)	(155.0)

	Note			
Other comprehensive income/(expense):				
Exchange differences arising on translation of foreign operations		3.6	33.4	16.3
Total comprehensive income/(expense) for the period/year		3.1	9.7	(138.7)
(Loss)/profit for the period/year attributable to:				
Owners of the Company		(1.8)	(26.4)	(138.2)
Non-controlling interests		1.3	2.7	(16.8)
		(0.5)	(23.7)	(155.0)
Total comprehensive income/(expense) attributable to:				
Owners of the Company		1.8	7.3	(122.0)
Non-controlling interests		1.3	2.4	(16.7)
		3.1	9.7	(138.7)
(Loss) per share				
- Basic and diluted	6	(0.07 HK cents)	(1.06 HK cents)	(5.53 HK cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At September 30, 2010 (Unaudited) HK$'M	At September 30, 2009 (Unaudited) HK$'M	At March 31, 2010 (Audited) HK$'M
Non-current assets				
Property, plant and equipment		147.9	199.3	171.1
Intangible assets		50.1	74.5	60.0
Goodwill		33.8	35.4	33.9
Deferred tax assets		38.4	46.6	38.1
		270.2	355.8	303.1
Current assets				
Inventories		324.5	297.0	207.3
Trade and other receivables	7	444.6	434.8	274.8
Tax reserve certificate		-	43.5	-
Taxation recoverable		0.7	4.1	0.9
Held for trading investments		24.6	-	9.9
Forward contract assets		-	-	0.1
Short-term bank deposits		87.9	-	158.6
Bank balances and cash		522.8	635.4	524.0
		1,405.1	1,414.8	1,175.6
Current liabilities				
Trade and other payables and accruals	8	411.3	357.3	249.8
Bills payables		1.2	6.2	0.8
Obligations under finance leases due within one year		0.7	3.0	1.4
Forward contract liabilities		7.4	0.1	-
Taxation payable		7.9	16.7	20.5
Bank loans due within one year		265.7	299.8	185.1
Bank overdrafts		-	3.9	6.7
		694.2	687.0	464.3
Net current assets		710.9	727.8	711.3
Total assets less current liabilities		981.1	1,083.6	1,014.4
Non-current liabilities				
Obligations under finance leases due after one year		-	0.7	-
Bank loans due after one year		183.4	84.0	188.7
Deferred tax liabilities		12.4	16.5	13.2
		195.8	101.2	201.9
Net assets		785.3	982.4	812.5
Capital and reserves				
Share capital	9	250.2	250.2	250.2
Reserves		388.4	504.5	375.3
Equity attributable to owners of the Company		638.6	754.7	625.5
Non-controlling interests		146.7	227.7	187.0
Total equity		785.3	982.4	812.5

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Share capital (Unaudited) HK$'M	Share premium (Unaudited) HK$'M	Other reserve (Unaudited) HK$'M	Properties revaluation reserve (Unaudited) HK$'M	Share options reserve (Unaudited) HK$'M	Translation reserve (Unaudited) HK$'M	Revenue reserve (Unaudited) HK$'M	Total (Unaudited) HK$'M	Non-control interests (Unaudited) HK$'M	Total equity (Unaudited) HK$'M
At April 1, 2010	250.2	151.6	-	27.9	1.7	(69.0)	263.1	625.5	187.0	812.5
Exchange differences arising from translation of foreign operations	-	-	-	-	-	3.6	-	3.6	-	3.6
(Loss)/profit for the period	-	-	-	-	-	-	(1.8)	(1.8)	1.3	(0.5)
Total comprehensive income/(expense) for the period	-	-	-	-	-	3.6	(1.8)	1.8	1.3	3.1
Recognition of equity-settled share based payments	-	-	-	-	0.2	-	-	0.2	-	0.2
Lapse of share options	-	-	-	-	(0.2)	-	0.2	-	-	-
Acquisition of additional interest in a subsidiary	-	-	11.1	-	-	-	-	11.1	(41.6)	(30.5)
At September 30, 2010	250.2	151.6	11.1	27.9	1.7	(65.4)	261.5	638.6	146.7	785.3
At April 1, 2009	250.2	151.6	-	27.9	2.1	(85.2)	400.7	747.3	251.0	998.3
Exchange differences arising from translation of foreign operations	-	-	-	-	-	33.7	-	33.7	(0.3)	33.4
(Loss)/profit for the period	-	-	-	-	-	-	(26.4)	(26.4)	2.7	(23.7)
Total comprehensive income/(expense) for the period	-	-	-	-	-	33.7	(26.4)	7.3	2.4	9.7
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(2.7)	(2.7)
Recognition of equity-settled share based payments	-	-	-	-	0.1	-	-	0.1	-	0.1
Lapse of share options	-	-	-	-	(0.4)	-	0.4	-	-	-
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	-	(23.0)	(23.0)
At September 30, 2009	250.2	151.6	-	27.9	1.8	(51.5)	374.7	754.7	227.7	982.4

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended September 30, 2010 (Unaudited) HK$'M	2009 (Unaudited) HK$'M
Net cash (used in)/generated from operating activities	(86.9)	6.4
Net cash generated from/(used in) investing activities	20.4	(36.8)
Net cash generated from financing activities	70.9	43.8
Net increase in cash and cash equivalents	4.4	13.4
Cash and cash equivalents at April 1	517.3	613.8
Effect of foreign exchange rate changes	1.1	4.3
Cash and cash equivalents at September 30	522.8	631.5
Analysis of the cash and cash equivalents:		
Cash and bank balances	522.8	635.4
Bank overdrafts	-	(3.9)
	522.8	631.5

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information for the six months ended September 30, 2010 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountant ("HKICPA").

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amount or fair value, as appropriate. The accounting policies and method of computation used in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended March 31, 2010, except as mentioned below.

In the current period, the Group has applied, for the first time, the following amendments to standards and interpretations issued by the HKICPA, which are effective for the Group's financial year beginning April 1, 2010.

HKFRSs (Amendment)	Improvements to HKFRSs 2009
HKFRS 1 (Amendment)	Additional Exemptions for first-time adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transaction
HKFRS 3 (Revised)	Business Combinations
Amendments to HKFRS 5 included in Improvement to HKFRSs 2008	Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HK(IFRIC)-Int 17	Distributions to Non-cash Assets to Owners

The Group applies HKFRS 3 (Revised) "Business Combinations" prospectively to business combinations for which the acquisition date is on or after April 1, 2010. The requirements in HKAS 27 (Revised) "Consolidated and Separate Financial Statements" in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after April 1, 2010.

The adoption of these amendments to standards and interpretations did not result in a significant impact on the result and financial position of the Group.

The Group has not early adopted the following new standards, amendments to standards and interpretations that have been issued but are not effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 [1]
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters [1]
HKFRS 9	Financial Instruments [2]
HKAS 24 (Revised)	Related Party Disclosures [1]
HK(IFRIC)-Int 14	Prepayments of a Minimum Funding Requirement [1]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments [1]

1 Effective for the Group for annual period beginning on after April 1, 2011
2 Effective for the Group for annual period beginning on after April 1, 2013

The directors anticipate that the adoption of these new standards, amendments to standards and interpretations will not result in a significant impact on the results and financial position of the Group.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing this condensed consolidated interim financial information are evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities include the useful lives of property, plant and equipment, recoverability of intangible asset, impairment of goodwill, allowances for trade receivable and inventories and the determination of income taxes.

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.

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**
Six months ended September 30, 2010				
Segment revenue				
Branded sales	**144.8**	**178.3**	**84.2**	**407.3**
OEM/ODM sales	**244.8**	**45.0**	**117.3**	**407.1**
Total segment revenue	**389.6**	**223.3**	**201.5**	**814.4**
Segment profit	**4.7**	**2.0**	**1.0**	**7.7**
Unallocated income				**0.6**
Unallocated expense				**(1.7)**
Finance costs				**(3.7)**
Profit before taxation				**2.9**
Six months ended September 30,2009				
Segment revenue				
Branded sales	135.9	175.3	55.0	366.2
OEM/ODM sales	201.5	59.6	67.7	328.8
Total segment revenue	337.4	234.9	122.7	695.0
Segment profit/(loss)	3.1	11.3	(20.5)	(6.1)
Unallocated income				0.6
Unallocated expense				(11.8)
Finance costs				(3.7)
Loss before taxation				(21.0)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the period (2009: nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of 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.

4. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation has been arrived at after charging/(crediting) the following:

	Six months ended September 30,	
	2010	2009
	HK$'M	HK$'M
Depreciation of property, plant and equipment	**30.5**	30.6
Amortisation of intangible assets	**20.5**	16.7
Loss on disposal of property, plant and equipment	**2.6**	2.1
Write down of inventories	**5.8**	0.7
Net exchange losses	**3.6**	5.4
Interest income	**(0.6)**	(0.6)

5. TAXATION

The charge comprises:

	Six months ended September 30,	
	2010	2009
	HK$'M	HK$'M
Taxation of the Company and its subsidiaries:		
Hong Kong Profits Tax	**(4.0)**	(2.8)
Taxation in other jurisdictions	**(0.2)**	(0.7)
Deferred tax credit	**0.8**	0.8
	(3.4)	(2.7)

Hong Kong profits tax has been provided at the statutory tax rate of 16.5% (2009: 16.5%) on the estimated assessable profits for the period less available tax losses. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. LOSS PER SHARE

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

	Six months ended September 30, **2010**	2009
	HK$'M	HK$'M
Loss:		
Loss for the period attributable to owners of the Company and loss for the purposes of basic and diluted loss per share	**(1.8)**	(26.4)

	2010	2009
Number of ordinary shares:		
Number of ordinary shares for the purposes of basic and diluted loss per share	**2,502,271,088**	2,502,271,088

The computation of diluted loss per share for the six months ended September 30, 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 six months ended September 30, 2010 and 2009.

7. TRADE AND OTHER RECEIVABLES

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

	At September 30 2010 HK$'M	At March 31 2010 HK$'M
0 to 30 days	**222.4**	132.5
31 to 90 days	**88.3**	39.6
Over 90 days	**45.3**	47.8
Trade receivables	**356.0**	219.9
Other receivables	**88.6**	54.9
Total trade and other receivables	**444.6**	274.8

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.

8. 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:

	At September 30 2010 HK$'M	At March 31 2010 HK$'M
0 to 30 days	**164.7**	37.2
31 to 90 days	**28.1**	42.9
Over 90 days	**6.8**	12.6
Trade payables	**199.6**	92.7
Other payables and accruals	**211.7**	157.1
Total trade and other payables and accruals	**411.3**	249.8

9. SHARE CAPITAL

	Number of shares	Amount HK$'M
Authorised:		
At April 1, 2009, March 31, 2010 and September 30, 2010		
– ordinary shares of HK$0.10 each	3,500,000,000	350.0
– ordinary shares of US$0.10 each	10,000	-
Issued and fully paid:		
At April 1, 2009, March 31, 2010 and September 30, 2010		
– ordinary shares of HK$0.10 each	2,502,271,088	250.2

10. SUBSEQUENT EVENT

On October 5, 2010, IDT International Holdings (BVI) Limited ("IDT Int'l (BVI)"), an wholly-owned subsidiary of the Company, and IDT Holdings (Singapore) Limited ("IDTS"), jointly announced a proposal to seek the voluntary delisting of IDTS from the official list of the Singapore Exchange Securities Trading Limited ("SGX-ST"). IDTS also announced that it has agreed to put the delisting proposal to the IDTS Shareholders and resolved to convene an extraordinary general meeting to consider the delisting.

Pursuant to the delisting proposal and in compliance with Rule 1309 of the listing manual of the SGX-ST, IDT Int'l (BVI) will make the exit offer to acquire the total number of 38,875,750 offer shares at Singapore dollars ("S$") 0.54 for each offer share, in cash, at an aggregate maximum consideration of S$20,992,905, subject to certain conditions.

It is intended, on the expected timetable, that this entire exercise shall be completed before the end of the current financial year to March 31, 2011.

FINANCIAL REVIEW

Whilst calendar 2009 was affected by the global recession, the current year has seen gradual global economic recovery which has improved business for consumer products companies.

For the six months ended September 30, 2010, the Group recorded a total turnover of HK$814.4 million, increase of 17% when compared to HK$695.0 million achieved in the same period last year. The increased turnover was attributable both to a recovery in the retail markets of America, Europe and to new products that were launched during the period. The revenues from Oregon Scientific brand products increased by 11% to HK$407.3 million, whilst that of ODM/OEM increased by 24% to HK$407.1 million.

Gross profit was HK$262.9 million compared to HK$245.4 million in the same period last year, a growth of 7%. Implementing the “turn aging inventory into cash programme”, lowered the prices of certain slow moving items during the review period, which led to a decrease in overall gross margin from 35% to 32%, but reduced the slower moving inventory. A change in sales of the product and channel mix, also had an impact on the gross margin.

Other income decreased by 68% below last year, to HK$6.6 million, mainly due to the discount below asset value on acquisition of an additional interest in a subsidiary which was booked last year.

Research and development expenditures on new products amounted to HK$42.9 million, being 5% of the Group’s revenue in the period which compared with 6% last year.

Distribution and selling expenses increased 3% to HK$146.5 million compared to HK$142.1 million last year. The increase was in line with the increase in turnover. As a percentage of Group turnover, distribution and selling expenses were 18%, a decrease of 2% compared to last year. The general administrative expenses dropped by 28% to HK$73.5 million (which included small exchange loss of HK$3.6 million) as a result of a relentless cost saving programme.

Total operating expenses of the Group, including research and development costs, distribution and selling expenses, and general administrative costs amounted to HK$262.9 million, a reduction of 7% against HK$283.5 million recorded last year. Total operating expenses, as a percentage of turnover, was 32% and substantially lower than the 41% recorded last year.

The attributable loss for the period was HK$1.8 million, which was a significant improvement over the attributable loss of HK$26.4 million, recorded last year.

BUSINESS REVIEW

Oregon Scientific

Sales from the Oregon Scientific brand were HK$407.3 million, being an increase of 11% compared to HK$366.2 million last year. The sales achieved were 50% of the Group’s total sales in the current year. Oregon Scientific should continue to benefit from the economic recovery, as is reflected in the increasing retail sales currently.

Following uncertain economic conditions affecting retail sales in the last year or so, Oregon Scientific experienced a challenging economic and operating environment. Along with the improved market environment and retail sector, Oregon Scientific hopes to continue its momentum this year, through success of its new product launch programmes.

Sports and Outdoor, Health and Wellness are some of our future key product categories for the Oregon Scientific brand. A full range of new beauty products in the collection of massagers and aroma diffusers are introduced in the Health and Wellness line. Successful listing of these new products has been confirmed with prominent chain stores and TV shopping channels. With Sports and Outdoor, a new range of Heart Rate Monitors, Pedometers and watch products, with improved features and designs, targeted especially for female consumers, are to be launched.

Given the continued high unemployment rates and uncertain economic conditions still confronting the US and European countries, the recoveries of these economies are slow but all are positive. IDT Group are modestly optimistic for our own future performance in these uncertain times. More product and market focus will be placed on the Asia Pacific region, especially in China.

LCD Consumer Electronic Products
Sales of this product segment increased by 15% to HK$389.6 million, accounting for 48% of the Group's total sales. The increase in sales mainly the result of increased sales of Oregon Scientific brand products, which increased by 7% to HK$144.8 million, whilst ODM/OEM sales were HK$244.8 million, a 21% increase compared to last year. The increased sales enabled the division to record improved operating results. However, LCD products as a category, are still subject to persistent keen price competition.

To counter such challenges, the Group continues to develop and design higher-end innovative products, incorporating new technologies. Closely collaborating with technology partners; continuous investments in research and development are being made to improve the competitiveness of new products. The Group endeavours to ensure that every product it creates, fully satisfies the needs of our customers, who typically have active lifestyles; appreciate new technologies; and are environmentally and health conscious. By leveraging the resources and capabilities of external subcontractors and partners in product development, the Group continues to optimise manufacturing and enhance product development.

Electronic Learning Products
Sales amounted to HK$223.3 million, down 5% compared with last year, but still representing 27% of the Group's total sales. The slow recovery of the ELP business segment is affected by weak consumer demand in the markets in which the Group operates.

Sales of Oregon Scientific products increased by 2% to HK$178.3 million, whilst ODM/OEM sales dropped by 24% to HK$45.0 million, with the notable decline of EMS business.

The American market did show a slight recovery with signs of a more solid market rebound later this year. The European markets still remain relatively weak and we are devising specific strategies to improve these markets for our products. In the operations side, we continued to strengthen the outsourcing strategy, whilst at the same time streamline our small factory operations, so as to improve the overall operational efficiency.

Telecommunication and Other Products
Sales increased considerably by 64% to HK$201.5 million compared to the same period last year and accounted for 25% of the Group's total sales. Sales of Oregon Scientific products in this segment increased 53% to HK$84.2 million whilst ODM/OEM sales increased to HK$117.3 million, significantly up on last year by 73%.

The demand for our conference phone is promising and shipment quantities have doubled. Moreover, the demand for the "military" radio continues to increase. During the first half, the new 'action camera' product (ATC9K) was launched and won the "Innovation 2010, Design and Engineering Award", which is a high level recognition of our innovation efforts and marked our market leadership in this arena. Overall, the business has recovered well and is on track to continue with orders from customers being stable and the outlook encouraging.

However, the material shortage issue is affecting on-time deliveries and also causing pressure on material costs. We have taken measures to plan production against committed forecasts, and with our customers' support, we are confident that the pressure on general costs will be contained. Overall, continuous improvements are being made to uplift the production efficiency and lowering our costs of production, to continue to enhance our profit margins.

OUTLOOK

The global economy continues to improve and especially those economies of the Asia region, as various global economic stimulus measures gradually took effect. The overall economic environment undeniably has improved. However, we are still concerned about the coming year. Future market conditions are still uncertain and could affect demand significantly from the US and the European markets, in particular, which are our biggest markets. The Group continues to maintain a stable financial position and is confident that the business will now continue its growth. The Group continues to restructure its business model and operations, and aims to increase sales whilst improving business and operational effectiveness and efficiency. With the strategic measures being taken by the management, coupled with our strong cash position, we are confident that we are on a solid path to growth, and will deliver a better performance than last year.

WORKING CAPITAL

The inventory balance at September 30, 2010 was HK$324.5 million, increased by 57% compared to the HK$207.3 million at March 31, 2010. The considerable increase in stock level is largely seasonal and reflects the increase demand of the products in the high season sales, and throughout the second half of the financial year. The inventory balance at September 30, 2010 increased by only 9% compared with the balance last year of HK$297.0 million. The inventory turnover improved from 121 days recorded last year, to only 107 days this year.

Trade debtor's balance at September 30, 2010 was HK$356.0 million, increased by 62% compared to HK$219.9 million at March 31, 2010 and this also reflects our strong sales in recent months. It also was increased 9% compared with HK$325.7 million shown at September 30, 2009. Trade debtor's turnover was, however, down to 80 days compared to last year of 86 days.

LIQUIDITY AND TREASURY MANAGEMENT

At September 30, 2010, the cash and bank balances of the Group, including short term bank deposits, were HK$610.7 million (March 31, 2010: HK$682.6 million).

During the six months ended September 30, 2010, the Group generated its funds mainly from operating activities and bank borrowings. The net cash position (cash and bank balances less total borrowings and bills payables) at September 30, 2010 amounted to HK$160.4 million (March 31, 2010: HK$301.3 million). However, it decreased by HK$81.1 million compared with HK$241.5 million at September 30, 2009 as a result mainly of longer-term purchases that were capital in nature. The Group maintained sufficient financial resources to meet all working capital requirements and the finance of its commitments.

The Group's exposure to foreign currency stems mainly from the net cash flow and net working capital translation achieved in its overseas subsidiaries. Hedging of foreign currency exposures is done through a combination of natural hedges and forward forex contracts. At September 30, 2010, there were forward contracts in place to hedge against possible exchange movements of 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 of the Group at September 30, 2010 amounted to HK$450.3 million (March 31, 2010: HK$381.3 million) which consisted of the short term bank loan of HK$265.7 million, long term bank loan of HK$183.4 million and bills payables of HK$ 1.2 million. The borrowings are mainly denominated in HK dollars and on floating rates bases.

The debts incurred by the Group are mainly used for general corporate purposes, including capital or long term expenditures and working capital requirements.

Gearing ratio (total borrowings over total equity) at September 30, 2010 and March 31, 2010 were approximately 57% and 47% respectively.

CHARGES ON GROUP ASSETS

At September 30, 2010, there were no financial charges on the Group's assets.

CAPITAL EXPENDITURE

Capital expenditure on property, plant and equipment for the six months ended September 30, 2010 amounted to HK$10.0 million (2009: HK$12.0 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 or disposals and associated companies in the course of the six months ended September 30, 2010, although there was an increase in the share ownership of the Singapore listed subsidiary from 71.5% at March 31 to 77.9% as at September 30, 2010.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended September 30, 2010. (September 30, 2009: Nil).

CONTINGENT LIABILITIES

At September 30, 2010, the Group had no contingent liabilities (March 31, 2010: Nil).

HUMAN RESOURCES AND REMUNERATION POLICY

As at September 30, 2010, the Group had approximate 3,470 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 six months ended September 30, 2010.

CORPORATE GOVERNANCE

The Group is committed to achieving high corporate governance standards. Throughout the period ended September 30, 2010, the Company applied the principles and complied with the requirements set out in the Code on Corporate Governance Practices ("CG Code") in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except 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 provisions and recommended best practices of the CG Code together with the reasons for any deviation are set out in the Corporate Governance Report contained in the Company's 2010 Annual Report issued in July 2010.

On July 12, 2010, Mr. Barry John BUTTIFANT was appointed an Executive Director and Group Chief Executive Officer of the Company while Dr. Raymond Chan ceased to be the Chief Executive Officer of the Company and remained as the Chairman of the Board. Following the said appointment, the Company is in full compliance with the code provisions prescribed in the CG Code.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited financial statements and the results of the Group for the six months ended September 30, 2010.

APPRECIATION

On behalf of the Board, I wish to express gratitude to the management team and staff members for their hard work, dedication and support to the Group throughout the review period.

On behalf of the Board of Directors of
IDT International Limited
Dr. Raymond Chan
Chairman

Hong Kong, November 26, 2010

The Directors of the Company as at the date of this announcement are Dr. Raymond Chan (Chairman), Mr. Barry John Buttifant (Group 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.

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