IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED MARCH 31, 2013

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 decreased 1.2% to HK$1,578.2 million (HK$1,597.1 million last year).
- Gross profit decreased 8.8% to HK$441.8 million (HK$484.5 million last year).
- Total operating expenses decreased 1.6% to HK$510.2 million (HK$518.5 million last year).
- Loss for the year reduced 4.9% to HK$28.9 million (HK$30.4 million last year).

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, 2013, together with comparative audited figures for the year ended March 31, 2012 are as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTES	Year ended March 31, 2013 HK$'M	2012 HK$'M
Turnover	3	**1,578.2**	1,597.1
Cost of goods sold		**(1,136.4)**	(1,112.6)
Gross profit		**441.8**	484.5
Other income		**17.3**	21.5
Other gains and losses		**42.1**	(6.4)
Research and development costs		**(72.5)**	(85.0)
Distribution and selling expenses		**(268.8)**	(247.1)
General administrative expenses		**(168.9)**	(186.4)
Interest on bank and other borrowings wholly repayable within five years		**(6.8)**	(6.4)
Loss before taxation	4	**(15.8)**	(25.3)
Taxation	5	**(13.1)**	(5.1)
Loss for the year attributable to owners of the Company		**(28.9)**	(30.4)
Other comprehensive expense:			
Exchange differences arising on translation of foreign operations		**(10.1)**	(16.1)
Total comprehensive expenses for the year		**(39.0)**	(46.5)
Loss per share			
- Basic and diluted	6	**(1.16) HK cents**	(1.22) HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	At March 31 2013 HK$'M	At March 31 2012 HK$'M
Non-current assets			
Property, plant and equipment		**65.2**	88.1
Intangible assets		**45.1**	58.0
Goodwill		**33.8**	33.9
Available-for-sale investments		**0.9**	0.9
Deferred tax assets		**19.6**	26.4
Deposit paid for acquisition of property, plant and equipment		**0.5**	3.4
		165.1	210.7
Current assets			
Inventories		**277.9**	253.5
Trade and other receivables	7	**297.6**	215.7
Forward contract assets		**0.3**	0.2
Short-term bank deposits		**5.2**	50.0
Bank balances and cash		**311.8**	287.5
		892.8	806.9
Current liabilities			
Trade and other payables and accruals	8	**249.1**	239.9
Obligations under finance leases due within one year		**0.5**	0.5
Taxation payable		**2.8**	4.5
Bank loans		**261.3**	102.0
Bank overdrafts		**0.6**	-
		514.3	346.9
Net current assets		**378.5**	460.0
Total assets less current liabilities		**543.6**	670.7
Non-current liabilities			
Obligations under finance leases due after one year		**0.1**	0.6
Bank loans		**-**	90.0
Deferred tax liabilities		**0.3**	2.9
		0.4	93.5
Net assets		**543.2**	577.2
Capital and reserves			
Share capital		**250.2**	250.2
Reserves		**292.9**	326.9
Equity attributable to owners of the Company		**543.1**	577.1
Non-controlling interests		**0.1**	0.1
Total equity		**543.2**	577.2

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated results were prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), 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. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following amendments to HKFRS issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKAS 12	Deferred tax: Recovery of underlying assets
Amendments to HKFRS 7	Financial instruments: Disclosures - Transfers of financial assets

The adoption of these amendments in the current year has had no material impact on the Group's financial performance and positions for the current or prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle[1]
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities[1]
Amendments to HKFRS 7 and HKFRS 9	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKFRS 10 HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance[1]
Amendments to HKFRS 10 HKFRS 12 and HKAS 27	Investment entities[2]
HKFRS 9	Financial instruments[3]
HKFRS 10	Consolidated financial statements[1]
HKFRS 11	Joint arrangements[1]
HKFRS 12	Disclosure of interests in other entities[1]
HKFRS 13	Fair value measurement[1]
HKAS 19 (as revised in 2011)	Employee benefits[1]
HKAS 27 (as revised in 2011)	Separate financial statements[1]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[1]
Amendments to HKAS 1	Presentation of items of other comprehensive income[4]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[2]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[2]
HK(IFRIC) - INT 20	Stripping costs in the production phase of a surface mine[1]
HK(IFRIC) - INT 21	Levies[2]

[1] Effective for annual periods beginning on or after January 1, 2013.
[2] Effective for annual periods beginning on or after January 1, 2014.
[3] Effective for annual periods beginning on or after January 1, 2015.
[4] Effective for annual periods beginning on or after July 1, 2012.

Amendments to HKAS 32 Offsetting financial assets and financial liabilities and amendments to HKFRS 7 Disclosures - Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement". The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. The amendments to HKFRS 7 are effective for the Group’s annual period beginning on April 1, 2013 and interim periods within annual period. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until the Group’s annual period beginning on April 1, 2014, with retrospective application required.

The directors anticipate that the application of these amendments to HKAS 32 and HKFRS 7 may result in more disclosures being made with regard to derivative contracts which are master netting agreements.

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The directors of the Company anticipate that HKFRS 9 will be adopted in the Group’s consolidated financial statements for the annual period beginning April 1, 2015 and the application may have an impact on amounts reported in respect of the Group’s available-for-sale investments which are currently stated at cost less impairment and will be measured at fair value upon adoption. Regarding the Group’s available-for-sale investments, it is not practicable to provide a reasonable estimate of that effect until a detail review has been completed.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of HKFRS 10 and HKFRS 12 are described below.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements. HK(SIC) - INT 12 "Consolidation - Special purpose entities" will be withdrawn upon the effective date of HKFRS 10. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, will be adopted in the Group's consolidated financial statements for the annual period beginning on April 1, 2013. The application of these five standards will not have material impact on the amounts reported in the consolidated financial statements.

<u>HKFRS 13 Fair value measurement</u>

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad, it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 will be adopted in the Group’s consolidated financial statements for annual period beginning April 1, 2013 and the application of HKFRS 13 will not have a material effect on Group’s consolidated financial statements but may results in more extensive disclosures in the consolidated financial statements.

<u>Amendments to HKAS 1 Presentation of items of other comprehensive income</u>

The amendments to HKAS 1 "Presentation of items of other comprehensive income" introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income'. The amendments to HKAS 1 also retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for the Group's annual period beginning on April 1, 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied.

The Directors anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. SEGMENT INFORMATION

Turnover represents the amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes. Turnover represents mainly Oregon Scientific branded sales (“Branded sales”) and Original Equipment Manufacturer and Original Design Manufacturer sales (“OEM/ODM sales”).

In prior years, the information reported to the Executive Directors of the Company, being the chief operating decision maker (the "CODM"), for the purpose of resource allocation and assessment of performance were based on three operating divisions that included LCD consumer electronic products, electronic learning products and telecommunication, digital media and other consumer electronic products.

In the current year, information reported to the CODM were reorganized based on distinct products to different customer groups. The reportable and operating segments were namely Sports, fitness and healthcare, Electronic learning products, Time and weather, Telecommunication and Wellness and beauty. In addition, energy and other electronic products which are individually insignificant were aggregated and reported under Others.

With the change of the composition of reportable segments in 2013, the comparative numbers in 2012 are restated to conform with 2013 composition of reportable segments. The change in composition of reportable segments did not have any impact on either the financial results or financial position of the Company in 2012.

The Group disaggregated its turnover based on branded sales and OEM/ODM sales and reported to the CODM. No separate results of branded sales and OEM/ODM sales were reported to the CODM.

Segment revenue and results

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

	Sports, Fitness and Health-care	**Electronic Learning Products**	**Time and Weather**	**Telecom-munication**	**Wellness and Beauty**	**Report-able segments total**	**Others**	**Total**
	HK$'M	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**
Year ended March 31, 2013								
Segment revenue								
Branded sales	**57.0**	**414.5**	**239.0**	**1.6**	**72.6**	**784.7**	**13.2**	**797.9**
OEM/ODM sales	**468.6**	**18.7**	**69.0**	**110.8**	**-**	**667.1**	**113.2**	**780.3**
Total segment revenue	**525.6**	**433.2**	**308.0**	**112.4**	**72.6**	**1,451.8**	**126.4**	**1,578.2**
Segment profit/(loss)	**6.0**	**(35.8)**	**14.3**	**2.7**	**2.3**	**(10.5)**	**2.9**	**(7.6)**
Gain on disposal of leasehold land and building								**47.4**
Unallocated income								**1.6**
Unallocated expenses								**(50.4)**
Finance costs								**(6.8)**
Loss before taxation								**(15.8)**
Year ended March 31, 2012								
Segment revenue								
Branded sales	81.2	244.4	310.5	5.2	95.2	736.5	9.2	745.7
OEM/ODM sales	353.4	95.1	99.0	163.9	-	711.4	140.0	851.4
Total segment revenue	434.6	339.5	409.5	169.1	95.2	1,447.9	149.2	1,597.1
Segment profit/(loss)	15.5	(4.4)	15.2	7.6	4.2	38.1	3.9	42.0
Unallocated income								1.4
Unallocated expenses								(56.6)
Impairment losses recognized in respect of financial instruments								(5.7)
Finance costs								(6.4)
Loss before taxation								(25.3)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

Segment profit (loss) represents the profit (loss) earned by each segment without allocation of interest income, gain on disposal of leasehold land and building, impairment losses recognised in respect of financial instruments, 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 BEFORE TAXATION

	2013	2012
	HK$'M	HK$'M
Loss before taxation has been arrived at after charging:		
Directors' emolument	**8.5**	7.0
Retirement benefits scheme contributions for other staff, net of forfeited contributions of HK$0.6 million (2012: HK$1.6 million)	**20.0**	21.5
Share option benefits expenses for other staff	**0.6**	1.7
Salaries for other staff	**299.3**	328.8
Others benefits for staff other than directors	**17.6**	12.1
Other staff costs	**337.5**	364.1
Total staff costs	**346.0**	371.1
Less : Staff costs capitalised in product development costs	**(12.1)**	(17.6)
Staff costs included in research and development costs	**(10.8)**	(22.6)
	323.1	330.9
Amortisation of product development costs (included in research and development costs)	**22.6**	19.8
Amortisation of patents and trademarks	**2.1**	2.0
Auditors' remuneration	**4.3**	4.6
Cost of inventories recognised as expense (including write down of inventories amounting to HK$13.4 million (2012: HK$4.7 million))	**1,136.4**	1,112.6
Depreciation of property, plant and equipment		
- held under finance leases	**1.2**	1.3
- owned by the Group	**29.5**	59.4
Operating lease rentals in respect of		
- office equipment and motor vehicles	**0.8**	1.0
- rented premises	**40.2**	39.6
Write down of inventories (included in cost of goods sold)	**13.4**	4.7
and after crediting to other income:		
Interest income	**1.6**	1.4
Sales of moulds and scraps	**3.8**	2.5

5. TAXATION

The charge comprises:

	2013	2012
	HK$'M	HK$'M
Hong Kong Profits Tax		
- current year	**(2.4)**	(3.8)
- overprovision in prior years	**4.0**	1.1
Taxation in other jurisdictions		
- current year	**(0.4)**	(0.6)
- underprovision in prior years	**(7.9)**	-
	(6.7)	(3.3)
Deferred taxation		
- current year	**(6.4)**	(1.8)
	(13.1)	(5.1)

Hong Kong Profits Tax is calculated at 16.5% of estimated assessable profits for both years. 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 year is based on the following data:

	2013	2012
	HK$'M	HK$'M
Loss:		
Loss for the year attributable to owners of the Company and loss for the purposes of basic and diluted loss per share	**(28.9)**	(30.4)

	2013	2012
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 years ended March 31, 2013 and 2012 does not assume the exercise of the Company's outstanding share options as the inclusion of those options would result in decrease in loss per share for both years.

7. 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 which approximate the respective revenue recognition date at the reporting date.

	2013	2012
	HK$'M	HK$'M
0 to 30 days	**168.0**	109.2
31 to 90 days	**41.2**	37.3
Over 90 days	**14.9**	12.6
Trade receivables	**224.1**	159.1
Other receivables	**73.5**	56.6
Total trade and other receivables	**297.6**	215.7

The Group normally allows credit period of 30 to 60 days to its trade customers. Customers with long business relationship and strong financial position are allowed to settle their balances beyond the normal credit terms up to 90 days.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$41.4 million (2012: HK$16.0 million) which are past due at the reporting date for which the Group has not provided for impairment loss as the directors assessed that the balance will be recovered based on their settlement records. The Group does not hold any collateral over these balances. The average age of these receivables is 51.9 days (2012: 36.4 days).

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

	2013	2012
	HK$'M	HK$'M
Overdue less than 30 days	**20.1**	5.9
Overdue 31 to 90 days	**11.7**	2.6
Overdue more than 90 days	**9.6**	7.5
	41.4	16.0

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:

	2013	2012
	HK$'M	HK$'M
0 to 30 days	**54.3**	33.9
31 to 90 days	**43.3**	48.7
Over 90 days	**10.0**	18.8
Trade payables	**107.6**	101.4
Other payables and accruals	**141.5**	138.5
Total trade and other payables and accruals	**249.1**	239.9

FINANCIAL REVIEW

Due to the continued slow recovery of the global economy, the Group recorded a mild decrease of turnover and gross profit for the year ended March 31, 2013 (the “year under review”). The loss for the year under review was reduced by 4.9% to HK$28.9 million, compared to the loss of HK$30.4 million for the year ended March 31, 2012.

The Group’s total turnover was HK$1,578.2 million, a slight decrease of 1.2% when compared to HK$1,597.1 million recorded last year in view of the difficult operating conditions in the retail market, particularly in Europe. The revenue of Oregon Scientific (“OS”) branded products increased by 7.0% to HK$797.9 million from HK$745.7 million last year, while the revenue of ODM/OEM products decreased by 8.4% to HK$780.3 million from HK$851.4 million last year.

Gross profit was HK$441.8 million, a drop of 8.8% as compared to HK$484.5 million last year. Gross margin was 28.0%, a decline of 2.3 percentage points as a result of changes in product and channel mix, increases in material costs, and clearance sales of slow-moving inventory with lower margins.

The Group continued to exercise stringent cost controls while implementing streamlining measures. However, due to the advertising and promotion expenses for its first kids’ tablet, MEEP!, total operating expenses actually only recorded a slight decrease. Total operating expenses of the Group, including research and development costs, distribution and selling expenses, and general administrative expenses, amounted to HK$510.2 million, a reduction of 1.6% against HK$518.5 million recorded last year.

Other gains and losses during the year under review were recorded at gains of HK$42.1 million, while losses of HK$6.4 million were recorded last year. Other gains this year comprised mainly the gain on disposal of property amounting to HK$47.4 million.

Interest expenses for banks and other borrowings amounted to HK$6.8 million, an increase 6.3% as compared to HK$6.4 million last year.

Taxation amounted to HK$13.1 million, while it was HK$5.1 million last year. The tax for the year under review was mainly underprovision of overseas tax amounting to HK$7.9 million, which is a one-off payment in nature, as well as deferred tax charges amounting to HK$6.4 million.

BUSINESS REVIEW

Oregon Scientific

For the year under review, sales revenues from OS climbed by 7.0% to HK$797.9 million, compared with HK$745.7 million for last year. The amount represented 50.6% of the Group's total sales revenues. The increase was mainly due to the launch of MEEP! in the American and European markets.

Electronic Learning Products ("ELP") accounted for 51.9% of total OS sales; Time and Weather ("T&W") accounted for 30.0%; other product categories covered the remaining balance of 18.1% including Wellness and Beauty, Sports, Fitness and Healthcare ("SFH"), Telecommunication ("TEL") and others.

Noteworthy in the ELP category, was the launch of its first tablet for kids, MEEP!. It runs the Android operating system, offers games, music, movies, e-books, communicator, web browsing and various educational and infotainment applications for children, and features a parental control function. The tablet is also linked to a portal, MEEP! Store, for convenient purchase of different apps and games, creating a supplementary income stream for OS. Although we had experienced some technical issues during the initial launch of MEEP!, in particular the American market, we managed to rectify the problems, and kept on selling MEEP! into our targeted new markets, such as Japan, Korea, and Middle East.

In the T&W category, OS has developed the Anywhere Weather Station which enables weather data detected by the sensors to be stored in cloud servers and wirelessly accessed anywhere through the internet. An online weather community has also been established to share weather information through OS' own weather portal.

SFH products continue to be one of the key product categories for OS. Perhaps the most significant indication of its importance is the launch of the Ssmart Watch series during the year. This innovative watch offers smartwatch functions with additional sports applications designed for those who want to monitor and share their sporting performances via smartphones. The Ssmart Watch RA900 was awarded the Red Dot Design Award 2012.

Also awarded the Red Dot Design Award 2012 was the ATC Chameleon, the world's first dual-lens action video camera which can capture both the motion and emotion of the users. OS promoted the ATC Chameleon worldwide through team sponsorship at the Macau Grand Prix 2012 and the US Super Boat World Championships 2012.

In the Wellness & Beauty product category, OS launched the illumi Ambient Wakeup Light – WL201. By connecting it to a smartphone with a downloaded illumi sleep app, it monitors the sleep cycle and wakes you up most naturally at the ideal time. Besides wakeup lights, aroma diffusers and beauty items continue as OS' strategic product ranges with new models introduced during the year under review.

During the year, OS garnered several international awards for design and innovation. Apart from the prizes for the Ssmart Watch and the ATC Chameleon action video camera mentioned above, OS was also honoured with the Red Dot Design Award 2012 for the Time & Wireless Charging Station, the iF Product Award 2012 for the illumi Ambient Wakeup Light and the NanoActiv Skin Restoring System, and the Hong Kong Electronic Industries Association ("HKEIA") Bronze Award for Innovation and Technology for the MEEP! tablet.

Value Manufacturing Services

Revenue from the Value Manufacturing Services Division ("VMS") declined by 8.4% to HK$780.3 million. The decrease was mainly due to the decline in sales from some of its key customers in Europe and the continued challenging economic environment.

By analyzing the total VMS turnover according to product categories, SFH accounted for 60.1%; TEL and T&W products accounted for 23.0%; with the balance of 16.9% in ELP and other product categories. SFH remains as the largest product category. With the Group's strong technical competence and outstanding engineering support in new product development, the sales from the SFH product category increased by 32.6% during the year under review as compared with the last financial year. However, sales revenue of TEL products declined by 32.4% due to the phasing out of this product category.

The VMS Division will focus on development and sales of core products that contribute better margins, as well as source for more new customers. VMS will continue to invest in developing the technology platforms for healthcare, energy monitoring and management products. Because of the strong technical competency, VMS is able to partner with some of the leading global brands to develop and manufacture their products. To counter anticipated higher labour costs and manufacturing overhead arising from the increase in wages in China during the year ahead and the pressure on gross margins from customers, VMS will continue to exercise stringent control over operating costs.

OUTLOOK

While the economic recovery in the US is proceeding, growth in the European countries is lagging behind. At the same time, the rising costs of both labour and materials continue to place pressure on the costs of goods as well as profit margins. The Group is continuing its proactive measures aimed at improving its business. Key initiatives in this direction include:

- Further enhanced centralisation of the product development, engineering, and sourcing operations in the Manufacturing Division by leveraging its resources in order to improve efficiency and cost effectiveness;
- Introduction and investment in new innovative products and expansion to new markets to secure new sources of revenue;
- Focusing on investment in and developing China and other emerging markets to capture new business opportunities and extend our reach;
- Streamlining our internal operations and overseas organisational structure and implementing new business models to reduce operating costs and expenses;

OS is developing new innovations for the coming year leveraging wireless connectivity and software application technologies. Advancing forward from the first generation of MEEP!, OS is scheduled to launch MEEP!X2 in time for Christmas, 2013. As an expert in small weather monitoring stations, we continue to enable easy access of weather data anywhere users may go. For the category of Sports, Fitness and Health, we are expanding our action camera range to enter new market segments. Devices will also be introduced to monitor, share and store fitness activities and sports performance data. Wellness and Beauty products still remain as our principal focus for the Asia market.

Guiding OS' marketing strategy is the promotion of the "Smart Living" concept and key products, both online and offline. To effectively address the growing importance of e-commerce and increase sales, OS has continued to invest in our e-commerce engines as well as engagement of consumers through social networking activities.

OS will continue to develop new sales channels and further expand into new markets through recruiting qualified distributors, sales agents and partnering with other well-known brands on co-branding projects. For example, we successfully entered markets in Russia and Japan during the past year.

Through the continued streamlining of our business, on-going right sizing exercises in OS overseas subsidiaries, and by leveraging the resources of our Manufacturing Division, our Group expects to lower the fixed costs and thereby become more competitive. In the coming year, we face challenges in improving our profit margin as well as continuous reduction in operating expenses. We will continue to search for distributors of our products in order to reduce the cost as well as risks to our Group and boost our competitive edge.

WORKING CAPITAL

The inventory balance at March 31, 2013 was HK$277.9 million, increased by 9.6% compared to the HK$253.5 million at March 31, 2012. The increase is mainly due to introduction of new product during the year under review. The inventory turnover increased from 83 days recorded last year, to 89 days this year.

Trade debtor balances at March 31, 2013 was HK$224.1 million, up by 40.9% compared to the HK$159.1 million shown at March 31, 2012 and it is attributable to increase in sales in March 2013 compared with March 2012. Trade debtor's turnover increased to 52 days compared to that of last year of 36 days.

LIQUIDITY AND TREASURY MANAGEMENT

At March 31, 2013, the bank balances and cash of the Group, including the short term bank deposits, were HK$317.0 million (March 31, 2012: HK$337.5 million).

During the year under review, the Group generated its funds mainly from operating activities, bank borrowings and proceeds from disposal of properties. The net cash position (bank balances and cash less total bank borrowings) at March 31, 2013 amounted to HK$55.1 million (March 31, 2012: HK$145.5 million). The Group maintained sufficient financial resources to meet all working capital requirements and finances of its commitments and still has a surplus of net cash over all bank borrowings.

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 arranged through a combination of natural hedges and forward forex contracts. At March 31, 2013, 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 bank borrowings of the Group at March 31, 2013 increased to HK$261.9 million (March 31, 2012: HK$192.0 million) which consisted of the short term bank loans of HK$261.3 million and bank overdrafts of HK$0.6 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.

The gearing ratio (total borrowings over total equity) at March 31, 2013 and March 31, 2012 were approximately 48.2% and 33.3% respectively.

CHARGES ON GROUP ASSETS

At March 31, 2013, there were no finance charges on the Group's assets.

CAPITAL EXPENDITURE

Capital expenditure on property, plant and equipment for the year ended March 31, 2013 amounted to HK$19.4 million (2012: HK$16.6 million) which was all used for business operations and product development. Source of funds were financed by internal resources and borrowings.

There were no material acquisitions or disposals of subsidiaries and associated companies in the course of the year ended March 31, 2013.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended March 31, 2013.

CONTINGENT LIABILITIES

At March 31, 2013, the Group had no contingent liabilities (2012: nil).

HUMAN RESOURCES AND REMUNERATION POLICY

As at March 31, 2013, the Group had 3,023 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 consist 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, 2013.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance. Throughout the year ended March 31, 2013, the Company has applied the principles and complied with all Code Provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with the exception of Code Provisions A.2.1 (separation of roles of the chairman and chief executive officer) and C.1.2 (provision of monthly updates to all directors). The Group's compliance with the Code Provisions and Recommended Best Practices of the Corporate Governance Code together with the considered 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 has reviewed with management and external auditors the results of the Group for the year ended March 31, 2013.

APPRECIATION

On behalf of the Board of Directors, I wish to express my gratitude to our shareholders and business associates for the continued support. I also 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 & Group Chief Executive Officer

Hong Kong, June 26, 2013

The Directors of the Company as at the date of this announcement are Dr. Raymond Chan (Chairman & Group Chief Executive Officer), Mrs. Chan Pau Shiu Yeng, Shirley and Mr. Leong Mun Hoong 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