IDT INTERNATIONAL LIMITED
萬威國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2020

Financial Highlights:

– Turnover amounted to HK$32.1 million (1H2019: HK$113.3 million).

– Gross profit amounted to HK$3.3 million (1H2019: HK$18.3 million).

– Total operating expenses amounted to HK$44.5 million (1H2019: HK$49.9 million).

– Loss for the period amounted to HK$37.4 million (1H2019: HK$30.4 million).

– Cash balances of the Group amounted to HK$10.5 million (December 31, 2019: HK$18.0 million).

INTERIM RESULTS

The board of directors (the "**Board**") of IDT International Limited (the "**Company**") hereby announces the unaudited condensed results of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2020 together with the comparative figures for the corresponding period ended June 30, 2019 ("**1H2019**").

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2020

	Notes	**Six months ended June 30, 2020 (Unaudited)** *HK$'M*	2019 (Unaudited) *HK$'M*
Turnover	5	**32.1**	113.3
Cost of goods sold		**(28.8)**	(95.0)
Gross profit		**3.3**	18.3
Other gains and losses		**3.9**	4.3
Research and development costs		**(8.0)**	(2.9)
Distribution and selling expenses		**(7.6)**	(18.2)
General administrative expenses		**(28.9)**	(28.8)
Finance costs		**(0.1)**	(3.1)
Loss before taxation	6	**(37.4)**	(30.4)
Taxation	7	**–**	–
Loss for the period		**(37.4)**	(30.4)
Other comprehensive income/(expenses):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(5.3)**	0.4
Loss and total comprehensive expenses for the period		**(42.7)**	(30.0)
Loss and total comprehensive expenses for the period attributable to:			
Owners of the Company		**(42.7)**	(30.0)
Non-controlling interests		–	–
		(42.7)	(30.0)
Loss per share – Basic	8	**(1.44HK cents)**	(1.17HK cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2020

	Notes	**As at June 30, 2020 (Unaudited)** *HK$'M*	As at December 31, 2019 (Audited) *HK$'M*
Non-current assets			
Property, plant and equipment		**6.6**	11.8
Right-of-use assets		**2.2**	4.8
Rental deposits		**3.4**	3.4
		12.2	20.0
Current assets			
Inventories		**9.4**	16.8
Trade and other receivables	9	**39.0**	47.1
Bank balances and cash		**10.5**	18.0
		58.9	81.9
Current liabilities			
Trade and other payables	10	**71.3**	78.7
Tax payable		**11.8**	11.8
Borrowing		**39.2**	39.2
Lease liabilities		**2.3**	5.0
Contract liabilities		**23.3**	23.3
Loan from a shareholder		**91.0**	69.0
		238.9	227.0
Net current liabilities		**(180.0)**	(145.1)
Net liabilities		**(167.8)**	(125.1)
Capital and reserves			
Share capital	11	**260.0**	260.0
Reserves		**(427.9)**	(385.2)
Equity attributable to owners of the Company		**(167.9)**	(125.2)
Non-controlling interests		**0.1**	0.1
Net deficits		**(167.8)**	(125.1)

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$'M*	Translation reserve (Unaudited) *HK$'M*	Revenue reserve (Unaudited) *HK$'M*	Total (Unaudited) *HK$'M*	Non-controlling interests (Unaudited) *HK$'M*	Total equity (Unaudited) *HK$'M*
As at January 1, 2020	**260.0**	**165.0**	**32.5**	**(101.8)**	**(480.9)**	**(125.2)**	**0.1**	**(125.1)**
Exchange differences arising from translation of foreign operations	**–**	**–**	**–**	**(5.3)**	**–**	**(5.3)**	**–**	**(5.3)**
Loss for the period	**–**	**–**	**–**	**–**	**(37.4)**	**(37.4)**	**–**	**(37.4)**
Total comprehensive expenses for the period	**–**	**–**	**–**	**(5.3)**	**(37.4)**	**(37.4)**	**–**	**(42.7)**
As at June 30, 2020	**260.0**	**165.0**	**32.5**	**(107.1)**	**(518.3)**	**(167.9)**	**0.1**	**(167.8)**
As at January 1, 2019	260.0	165.0	32.5	(102.8)	(397.8)	(43.1)	0.1	(43.0)
Exchange differences arising from translation of foreign operations	–	–	–	0.4	–	0.4	–	0.4
Loss for the period	–	–	–	–	(30.4)	(30.4)	–	(30.4)
Total comprehensive expenses for the period	–	–	–	0.4	(30.4)	(30.0)	–	(30.0)
As at June 30, 2019	260.0	165.0	32.5	(102.4)	(428.2)	(73.1)	0.1	(73.0)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30,	
	2020	2019
	(Unaudited)	(Unaudited)
	HK$'M	*HK$'M*
Net cash used in operating activities	**(23.8)**	(10.2)
Net cash used in investing activities	**–**	(17.7)
Net cash generated from financing activities	**16.3**	26.0
Net decrease in cash and cash Equivalents	**(7.5)**	(1.9)
Cash and cash equivalents at beginning of the period	**18.0**	22.3
Cash and cash equivalents at end of the period	**10.5**	20.4
Analysis of the cash and cash equivalents:		
Cash and bank balances	**10.5**	20.4

Notes:

1. GENERAL INFORMATION

IDT International Limited (the "**Company**", together with its subsidiaries are collectively referred to as the "**Group**") was incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office and principal place of business of the Company is located at Block C, 9th Floor, Phase I, Kaiser Estate, 41 Man Yue Street, Hunghom, Kowloon, Hong Kong.

The Company acts as an investment holding company while its subsidiaries are principally engaged in the design, development, manufacture, sales and marketing of various consumer electronic products.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended June 30, 2020 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 unaudited 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 financial statements for the year ended December 31, 2019, except as mentioned below.

3. APPLICATION OF NEW AND REVISED IFRS

For the purpose of preparing and presenting the condensed consolidated financial statements for the six months ended 30 June 2020, the Group has consistently applied all the new and amendments to IFRSs, which include IFRSs, International Accounting Standards, amendments and interpretations issued by the IASB, and the IFRS Interpretations Committee of the IASB throughout the period.

The Group has not yet adopted any new and amendments to IFRSs that have been issued but are not yet effective. The Group is in the process of assessing the impact of the adoption of such new and amendments to IFRSs on the Group's results and financial position.

4. 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 are, by definition, seldom equal to 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 assets, impairment of goodwill, allowances for trade receivables and inventories and the determination of income taxes.

In the determination of incremental borrowing rate, the Group applies judgement to determine the applicable rate to calculate the present value of lease payments. The incremental borrowing rate of the Group applied will significantly affect the amount of lease liabilities and right-of-use assets recognised.

5. 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**").

The information reported to the Executive Directors of the Company, being the chief operating decision maker (the "**CODM**") were reorganised based on district products to different customer groups. The reportable and operating segments were namely Connected home and communications ("**CoH**"), Health and wellness ("**H&W**"), Smart learning and immersive technology ("**SLIT**"), in addition, other electric products which are individually unsignificant were aggregated and reported under others.

Connected home and communications	–	design, development, manufacture, and sales and marketing of home connected and communication products
Health and wellness	–	design, development, manufacture, and sales and marketing of health and wellness products
Smart learning and immersive technology	–	design, development, manufacture and sales and marketing of electric learning and inner size products
Others	–	design, development, manufacture, and sales and other electronic products

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.

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:

	Smart Learning and Immersive Technology HK$'M	Connected Home and Communications HK$'M	Health and Wellness HK$'M	Others HK$'M	Total HK$'M
Six months ended June 30, 2020					
Segment revenue					
Branded sales	**10.0**	**3.2**	**0.1**	**–**	**13.3**
OEM/ODM sales	**–**	**11.4**	**2.9**	**4.5**	**18.8**
Total segment revenue	**10.0**	**14.6**	**3.0**	**4.5**	**32.1**
Segment loss	**2.3**	**0.7**	**(0.3)**	**0.6**	**3.3**
Unallocated expenses					**(40.7)**
Loss before taxation					**(37.4)**
Six months ended June 30, 2019					
Segment revenue					
Branded sales	16.5	13.3	1.2	0.4	31.4
OEM/ODM sales	–	3.9	73.5	4.5	81.9
Total segment revenue	16.5	17.2	74.7	4.9	113.3
Segment loss	(5.8)	(5.5)	(5.2)	(1.9)	(18.4)
Unallocated expenses					(12.0)
Loss before taxation					(30.4)

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

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 and unallocated expenses 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.

6. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging the following:

	Six months ended June 30,	
	2020	2019
	HK$'M	*HK$'M*
Depreciation of property, plant and equipment	**5.2**	6.1
Amortisation of right-of-use assets	**5.4**	10.9
Net exchange losses	**2.2**	2.3

7. TAXATION

The charge comprises:

	Six months ended June 30,	
	2020	2019
	HK$'M	*HK$'M*
Taxation of the Company and its subsidiaries:		
Hong Kong Profits Tax	**–**	–
Taxation in other jurisdictions	**–**	–
	–	–

Hong Kong profits tax has been provided at the statutory tax rate of 16.5% (1H2019: 16.5%) of 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.

8. LOSS PER SHARE

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

	Six months ended June 30,	
	2020	2019
	HK$'M	*HK$'M*
Loss for the period attributable to owners of the Company for the purposes of calculating basic loss per share	**(37.4)**	(30.4)

	Six months ended June 30,	
	2020	2019
Number of ordinary shares for the purposes of calculating basic loss per share	**2,599,993,088**	2,599,993,088

No diluted loss per share are presented as there were no potential dilutive ordinary shares in issue during both periods.

9. TRADE AND OTHER RECEIVABLES

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

	As at June 30, 2020	As at December 31, 2019
	HK$'M	*HK$'M*
0 to 30 days	**9.2**	21.1
31 to 90 days	**1.4**	4.7
Over 90 days	**16.9**	3.0
Trade receivables	**27.5**	28.8
Other receivables	**11.5**	18.3
Total trade and other receivables	**39.0**	47.1

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

10. TRADE AND OTHER PAYABLES

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

	As at June 30, 2020	As at December 31, 2019
	HK$'M	*HK$'M*
0 to 30 days	**2.3**	14.8
31 to 90 days	**2.3**	17.1
Over 90 days	**28.2**	25.5
Trade payables	**32.8**	57.4
Other payables	**38.5**	21.3
Total trade and other payables	**71.3**	78.7

11. SHARE CAPITAL

	Number of shares	Amount *HK$'M*
Authorised:		
At December 31, 2019 and June 30, 2020		
– ordinary shares of HK$0.10 each	20,000,000,000	2,000.0
At December 31, 2019 and June 30, 2020		
– ordinary shares of US$0.10 each	10,000	–
Issued and fully paid:		
At December 31, 2019 and June 30, 2020		
– ordinary shares of HK$0.10 each	2,599,993,088	260.0

FINANCIAL RESULTS

The Group's total revenue for the six months ended June 30, 2020 amounted to HK$32.1 million (1H2019: HK$113.3 million), representing a decrease of approximately 71.7% as compared with the same period last year.

Gross profit totaled HK$3.3 million (1H2019: HK$18.3 million), representing a decrease of approximately 82.0% as compared with the same period last year. Gross profit margin decreased to 10.3% in first half of 2020, mainly due to the fact that the unit production costs increased. The Group allocated the production resources to those customers' orders with high profit margins. However, those sales orders were relatively less in terms of quantity and the fixed production overhead remained stable.

Total operating expenses of the Group, including research and development costs, distribution and selling expenses, general administrative expenses and finance cost, amounted to HK$44.5 million (1H2019: HK$49.9 million). As the revenue decreased during the six months ended June 30, 2020 and the management implemented various measures to control the operating expeneses, the operating expenses decreased accordingly.

Other gains and losses during first half of 2020 were recorded as net gains of HK$3.9 million (1H2019: gains of HK$4.3 million).

Losses for the six months ended June 30, 2020 was HK$37.4 million (1H2019: loss of HK$30.4 million).

BUSINESS REVIEW

In the first half of Y2020, the overall purchase momentum particularly in the consumer electronic business is much more sluggish due to the COVID-19 pandemic and the trade war and overall unsteady global economy. The Group continued to place significant effort in re-shaping the product development direction, customer base and commercial terms, and streamlining its organizational structure, operation processes and administration costs. The Group has achieved the sales revenue amount HK$32.1 million in 1st half of Y2020.

Smart Learning & Immersive Technology (SLIT) and Sports, Fitness and Health (SFH) are still the main product categories; the Group already found way and now is working on new product development in such area. At the same time, the management carried out several measures to enhance the lean manufacturing, streamlining manpower and implementing business model change in overseas operations. The Group also focused on developing projects with good quality key customers and no low-or-negative margin project policy remained.

OREGON SCIENTIFIC ("OS")

In the first half year of 2020, sales revenue of OS business totaled HK$13.3 million (FY2019: HK$31.4 million), 57.6% decrease compared to that of last year which was mainly effected by COVID-19 pandemic, accounting for 41.4% of the Group's total sales revenue. Smart Learning and Immersive Technology (SLIT) & Connected Home (CoH) were still the main product categories, health care will be another product category we focus on in coming days.

The market demand for SLIT is still trendily strong. The Group is working with the Intellectual Property Publishing House of P.R.C. for the strategic partnership and started the tailor-made product development to meet the tremendous consumer demand of the smart learning products in China. The market demand for health product is increasing, the Group has started the association with the leading hospital in China Jiangsu province for the sleep improvement and health tracking projects, such will take an important part in the Sport, Fitness and Health category particularly for the China market.

Due to the COVID-19 pandemic, both the local and oversea sales were impacted greatly. The Group still secured the business relationship with reputable distributors and the strategy of working with the strong distributors to develop the overseas markets remained.

China Market

With coronavirus epidemic outbreak in the first half of 2020, the Group will continue to focus on intelligent education in China market so as to manufacture more molds and intelligent interaction products through the technology of AI voice intelligence, AI image recognition. Focusing on intelligent health so as to solve the snore problem through new medical technology and monitoring sleep, heart rate, assistance and guarding out of bed through new sensor technology.

Besides maintaining our existing business, the Group is actively exploring and developing new channels and models, which includes increasing our efforts in short video, community promotion, sales and marketing, while also connecting with professional markets such as educational institutions and hospitals to further verticalise our brand and products, bringing us closer to users.

Value Manufacturing Services ("VMS")

In the 1st half of Y2020, due to the COVID-19 pandemic, the global market and the overall purchase momentum from customers particularly in the consumer electronic business suffered a tremendous impact. Overall the sales revenue of the VMS business in the 1st half of Y2020 was HK$18.8 million (FY2019: HK$81.9 million), which accounted for 58.6% of the Group's total revenue.

Despite the lower sales revenue, the Group re-shaped the customer base and re-negotiated for the more favorable commercial terms with most of the VMS customers to improve the gross margin and accelerate the account receivable collection. This assisted to set a healthier base for future business development.

To maintain the leading role in technology and market competitiveness, the VMS research & development team continuously establishes strategic partnership with global innovative technology partner. The co-operation with various strategic partners such as the co-developed solution of E-ink watch, PWTT Smart blood pressure monitor, heart rate variability measurement will bring new business opportunity to grow the business.

OUTLOOK

In the first six months of 2020, the Group continues to see increasing challenge with the unprecedented impact of COVID-19 on the global economic outlook, which also impacted the general economic and market conditions in China and Hong Kong and the industry in which we operate. Nonetheless, there are still opportunities and the Group remains confident in its business direction and strategy in 2020.

The Group continues to develop China market and maximizes customer coverage through offline and online channels, with customized product development focusing on Sports Fitness Health and Smart Learning products. Strategic partnerships will be formed with the leading institutes in the areas of children learning and healthcare in China to develop customized products and promotion through joint effort.

OREGON SCIENTIFIC

The main objective under OS in the 2nd half of 2019 is to re-activate the brand business and recover the orders of OS brand partners in the overseas markets. The Group has scheduled to hold several sales campaigns in overseas markets.

Several new Smart Learning products will be launched and this category will continue to be the main product category of the OS business. The upcoming new products not only will come with the immersive AR technology, but also equipped with the voice recognition function to enhance the children's learning experience. Strategic partnership will be formed with Intellectual Property Publishing House, which is under the National Intellectual Property Administration of the PRC with a focus on promoting this product category into the targeted channels include school with joint promotion effort.

The Group will also continue to work on controlling the selling expenses, reducing the inventory level and enhancing the cash collection turnover through the on-going adjustment in business model to enhance business efficiency.

VALUE MANUFACTURING SERVICES ("VMS")

The Group continues to strategically focus on those customers who contribute good scale and profit margin and technology know-how sharing and improve our service. Sports, Fitness, Health and Connected Home would continue to be the main category of the VMS business.

Sleep aid and health monitoring system would be the areas that the Group will put emphasis on. All these new products are related to the big data concept. As such, our customers and strategic partners will work with us to analyze and utilize these data to develop products which could suit better the consumers' needs.

Besides retaining the existing customers and developing new ones, our focus includes continuously improving the efficiency of product developments and manufacturing operation. We will continue to innovate our products with our VMS customers at the lowest cost with best endeavours. As such, our VMS customers would be able to retain more resources to invest in new products and make us more competitive and grow together.

WORKING CAPITAL

Inventory amount as at June 30, 2020 was HK$9.4 million, representing a decrease of approximately 44.0% as compared to HK$16.8 million as at December 31, 2019. The inventory turnover days increased to 83 days (December 31, 2019: 70 days).

Trade debtor amount as at June 30, 2020 was HK$27.5 million, representing a decrease of approximately 4.5% as compared to HK$28.8 million as at December 31, 2019. Trade debtor's turnover days increased to 160 days (December 31, 2019: 44 days).

LIQUIDITY AND TREASURY MANAGEMENT

As at June 30, 2020, the cash and bank balances of the Group were HK$10.5 million (December 31, 2019: HK$18.0 million).

During the six months ended June 30, 2020, the Group generated its funds mainly from operating and financing activities. The Group is making its best endeavour to optimize its financial resources and may consider raising funds through financing activities to meet all working capital requirements if necessary.

CHARGES ON GROUP'S ASSETS

As at June 30, 2020, there were no charges on the Group's assets.

CAPITAL EXPENDITURE

There was no capital expenditure on property, plant and equipment for the six months ended June 30, 2020 (1H2019: HK$1.4 million).

There were no material acquisitions or disposals of associated companies in the course of the six months ended June 30, 2020.

DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended June 30, 2020 (1H2019: Nil).

CONTINGENT LIABILITIES

As set out in the 2019's annual report of the Company, an indirect wholly-owned subsidiary of the Company, Oregon Scientific Brasil Ltda, was involved in a tax dispute with the State of Sao Paulo, the Federative Republic of Brazil, which may cause a maximum tax payment including penalty and interest of approximately Brazilian Real 3.6 million (equivalent to approximately HK$7.3 million).

Currently, the Company is still assessing whether provision should be made in the consolidated financial statements for the period ended 30 June 2020.

HUMAN RESOURCES AND REMUNERATION POLICY

As at June 30, 2020, the Group had approximately 452 employees (June 30, 2019: approximately 525 employees). The Group fully recognises 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 professional trainings.

The Group's remuneration policy is to provide compensation packages at market rates which rewards individual performance and to attract, retain and motivate high quality employees. The compensation packages offered by the Group are comparable with other entities of similar size and business nature and are reviewed annually. The components of the employee remuneration package comprise basic 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.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the review period.

COMPLIANCE WITH MODEL CODE

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"). In response to a specific enquiry by the Company, all Directors confirmed that they complied with the requirements of the Model Code during the six months ended June 30, 2020 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance. Throughout the period ended June 30, 2020, 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 Provision A.2.1 in respect of the separation of roles of the chairman and chief executive officer. Mr. Zhu Yong Ning (the "**Mr Zhu**"), the executive Director and chief executive officer of the Company takes up the role of Chairman, the Board believes that Mr. Zhu has extensive experience and it is in the best interest of the Group to have Mr. Zhu taking up both roles for the continuous effective management and business development of the Group.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Zhou Meilin, Mr. Xu Jinwen and Mr. Zhou Rui. Mr. Zhou Meilin is the chairman of the Audit Committee.

The unaudited financial results of the Group for the six months ended June 30, 2020 have been reviewed by the Audit Committee.

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
IDT International Limited
Zhu Yongning
Executive Director and Chief Executive Officer

Hong Kong, August 25, 2020

As at the date of this announcement,

1. The executive Directors is Mr. Zhu Yongning (Chief Executive Officer);

2. The non-executive Directors is Mr. Cui Xiao; and

3. The independent non-executive Directors are Mr. Zhou Meilin, Mr. Xu Jinwen and Mr. Zhou Rui.

Website: http://www.idthk.com