
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in IDT International Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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IDT INTERNATIONAL LIMITED

萬威國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

**(1) MAJOR TRANSACTION
IN RELATION TO THE LEASE AGREEMENTS;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of IDT International Limited (the “EGM”) to be held at 2:00 p.m. on 29 January 2021 at Room 303, Building 33, Chentian Industrial Area, Xixiang Town, Baoan Estate, Shenzhen, the People’s Republic of China is appended to this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (www.idthk.com).

Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy enclosed with this circular in accordance with the instructions printed thereon and deposit the same to the Company’s branch share registrar, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE EGM

Please see page 1 of this document for measures being taken to try to prevent and control the spread of the coronavirus disease 2019 (“COVID-19”) at the EGM, including:

- **compulsory temperature checks**
- **recommended wearing of surgical face masks**

The Company encourages attendees to wear face masks and reminds shareholders that they may appoint the chairman of the meeting as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

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PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In view of the ongoing COVID-19 epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the EGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the EGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the EGM venue or be required to leave the EGM venue.
- (ii) The Company encourages attendees to wear surgical face masks inside the EGM venue at all times, and to maintain a safe distance between seats.

To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person.

The proxy form is attached to the EGM Circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the Company's website at www.idthk.com. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

If Shareholders choosing not to attend the EGM in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company as follows:

Email: lagal@idthk.com
Tel: 852 2764 7873
Fax: 852 2765 6662

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Announcements”	the First Announcement and the Second Announcement
“Board”	board of Directors
“Company”	IDT International Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 167)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Leases and transactions contemplated under the Lease Agreements
“First Announcement”	the announcement of the Company dated 14 December 2020 in relation to the Lease Agreements
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IDT (Shenzhen)”	萬威電子(深圳)有限公司 (unofficial English translation being IDT Electronic (Shenzhen) Company Limited), a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company
“IDT Technology (Shenzhen)”	萬威電子科技(深圳)有限公司 (unofficial English translation being IDT Electronic Technology (Shenzhen) Company Limited), a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company

DEFINITIONS

“Landlord”	深圳市臣田股份合作公司 (unofficial English translation being Shenzhen Chentian Stock Cooperation Company), a company established in the PRC, which is collectively owned by a group of individuals in the form of cooperative ownership (合作股) and collective ownership (集體股)
“Latest Practicable Date”	11 January 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Lease(s)”	the lease(s) under the Lease Agreement(s)
“Lease Agreement(s)”	the lease agreement(s) entered into between the Tenant and the Landlord, the details of which are stated in the section headed “THE LEASE AGREEMENTS” of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
“Premises”	all the premises at Site 1, Site 2, Site 3, Site 4, Site 5, Site 6 and Site 7
“RMB”	Renminbi, the lawful currency of the PRC
“Second Announcement”	the supplemental announcement of the Company dated 18 December 2020 in relation to the Lease Agreements
“Share(s)”	share(s) in the Company
“Shareholder(s)”	holders of the Shares from time to time
“Shareholders A”	China Huaneng Foundation Construction Investment Ltd (中國華能基礎建設投資有限公司), which is wholly-owned by Mr. Zhu Yongning, an executive Director which hold 753,997,995 Shares which represents approximately 29.00% of the total number of issued shares of the Company as at the Latest Practicable Date

DEFINITIONS

“Shareholder B”	Hongtu High Technology Int’l Inc., which hold 556,898,770 Shares as at the date of this circular, which represents approximately 21.42% of the total number of issued shares of the Company as at the Latest Practicable Date
“Site 1”	中國深圳市寶安區西鄉街道寶民二路臣田工業區第29棟整棟大廈 (unofficial English translation being the whole building of Tower 29, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)
“Site 2”	中國深圳市寶安區西鄉街道寶民二路臣田工業區第30棟整棟大廈 (unofficial English translation being the whole building of Tower 30, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)
“Site 3”	中國深圳市寶安區西鄉街道寶民二路臣田工業區第14棟綜合樓1-4層大廈 (unofficial English translation being 1/F to 4/F., Complex Building of Tower 14, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)
“Site 4”	中國深圳市寶安區西鄉街道寶民二路臣田工業區第32棟1、2、4、5層大廈 (unofficial English translation being the 1/F, 2/F, 4/F and 5/F of Tower 32, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)
“Site 5”	中國深圳市寶安區西鄉街道寶民二路臣田工業區第31棟整棟大廈 (unofficial English translation being the whole building of Tower 31, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)
“Site 6”	中國深圳市寶安區西鄉街道寶民二路臣田工業區第32棟3層大廈 (unofficial English translation being the 3/F of Tower 32, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)

DEFINITIONS

“Site 7”	中國深圳市寶安區西鄉街道寶民二路臣田工業區第33棟整棟大廈 (unofficial English translation being the whole building of Tower 33, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenant(s)”	the tenant(s) of the Lease(s), being IDT (Shenzhen), Zhanke (Shenzhen) and/or IDT Technology (Shenzhen)
“Zhanke (Shenzhen)”	展科電子(深圳)有限公司 (unofficial English translation being Zhanke Electronic (Shenzhen) Company Limited), a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company
“%”	per cent.

LETTER FROM THE BOARD



IDT INTERNATIONAL LIMITED

萬威國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

Executive Director:

Mr. Zhu Yongning (*Chief Executive Officer*)

Non-executive Director:

Mr. Cui Xiao

Independent Non-executive Directors:

Mr. Zhou Meilin

Mr. Xu Jinwen

Mr. Zhou Rui

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Place of Business

in Hong Kong:

Block C, 9th Floor

Phase I, Kaiser Estate

41 Man Yue Street

Hunghom, Kowloon

Hong Kong

14 January 2021

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION
IN RELATION TO THE LEASE AGREEMENTS;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the Announcements, in which the Company announced that on 14 December 2020, the Tenants, being wholly-owned subsidiaries of the Company, as tenant, and the Landlord as landlord entered into the Lease Agreements in respect of the tenancy of the Premises for a term of two years commencing from 1 February 2021 to 31 January 2023.

* *For identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information in respect of, among other things, (i) further information relating to the Lease Agreements and the transactions contemplated thereunder; (ii) the financial information of the Group; (iii) other information as required to be disclosed under the Listing Rules; and (iv) a notice of the EGM.

2. THE LEASES

The Lease Agreements

The principal terms of the Lease Agreements are as follows:

Lease Agreement	Tenant	Landlord	Premise	Approximate Gross Floor area (square metre)	Usage	Term	Rent (RMB per month)	Payment term	Deposit
1. Lease Agreement 1	IDT (Shenzhen)	Landlord	Site 1	10,788.94	Factory	1 February 2021 to 31 January 2023, in which no parties may unilaterally early terminate the respective Lease Agreement.	291,844	The Tenant shall pay the monthly rent to the Landlord in advance before the 5th day of each month.	A deposit (the "Deposit") in the amount equal to 2 times of the sum of the rent shall be payable by the Tenant within five days upon entering into the respective Lease Agreements.
2. Lease Agreement 2	IDT (Shenzhen)		Site 2	9,642.92	Factory		269,500		
3. Lease Agreement 3	IDT (Shenzhen)		Site 3	8,315.04	Commercial		477,025		
4. Lease Agreement 4	IDT (Shenzhen)		Site 4	8,032.44	Factory		215,600		
5. Lease Agreement 5	IDT (Shenzhen)		Site 5	10,046.22	Factory		269,500		
6. Lease Agreement 6	Zhanke (Shenzhen)		Site 6	2,008.00	Factory		53,900		
7. Lease Agreement 7	IDT Technology (Shenzhen)		Site 7	11,695.21	Office		444,410		
Total:				<u>60,528.77</u>			<u>2,021,779</u>		

Information of the parties

The Group is principally engaged in investment holdings, design, development, manufacturing, marketing and distribution of lifestyle electronic products.

The Landlord is principally engaged in domestic commerce, materials supply and property management.

To the best information, knowledge and belief of the Company, the Landlord is held as to 84.03% in the form of collaboration shareholding (合作股) held by a group of villagers (村民) and as to 15.97% in the form of collective shareholding (集體股) held by 深圳市臣田集體資產管理委員會 (unofficial English translation being Shenzhen City Chentian Collective Asset Management Committee), and all of them are parties independent to the Company and not related to the Company and its connected persons.

LETTER FROM THE BOARD

To the best information, knowledge and belief of the Company, (i) all members (參股人員) of collaboration shareholding (合作股) are entitled to vote, while for collective shareholding (集體股), only villager members (勞動群眾) are entitled to vote on a collective basis (集體投票); and (ii) 深圳市臣田集體資產管理委員會 (unofficial English translation being Shenzhen City Chentian Collective Asset Management Committee) is collectively controlled by the village committees in the areas concerned and governed by the local government.

Reasons for and benefits of the Lease Renewal Agreement

Due to the nature of its business, the Group has to enter into tenancy agreements for the production of its products in the PRC from time to time.

The Premises were part of the previous premises leased by the Tenants from the Landlord as factory and office space as well as dormitories, which has lasted for over 20 years. As the existing lease agreements had already expired on 31 March 2020, the Tenants and the Landlord have been in negotiation on the renewal of part of the premises, being the Premises, and the Tenants have been permitted by the Landlord to use the Premises until 31 January 2021 upon payment of monthly rental without fixed-term tenancy agreement, and the Landlord and the Tenants have finally entered into the Lease Agreements as of the date of the First Announcement. The monthly rental under the Lease Agreements is determined with reference to the prevailing market rental of similar property in nearby locations. Based on the market details made available to the Board (which comprise six nearby properties), the Board noted that the monthly rental of these comparable properties, is approximately RMB27 to RMB40 per square metre (in terms of gross floor area) per month for industrial usage, and for office or commercial usage, the rent would even become approximately RMB54.6 per square metre (in terms of gross floor area) per month. As such, the Board considered that the current rent of the Premises at the average rate of approximately RMB27.1 for the industrial part and RMB47.7 per month (in terms of gross floor area) is reasonable. Further, the Group would have to incur extra cost for relocation and renovation on new premise, and hence relocation to new premise will effectively lead to a higher cost than rental of the Premises which were part of the previous premises leased by the Tenants.

The Company has already discussed with the Company's auditor on the accounting treatment for the monthly rental paid by the Company to the Landlord during the period from 1 April 2020, being the date immediately following the termination of the existing lease agreements which expired on 31 March 2020, to 13 December 2020, being the date of Lease Agreements. Based on the discussion, as agreed by the Company's auditors, the rental paid in such period would be considered as short-term lease, and it would not be recognized as right of use of assets under HKFRS 16. As such, such rental payment is not capital in nature, and should not constitute transaction under Chapter 14 of the Listing Rules.

The Board considers that the terms of the Lease Agreements are on normal commercial terms and are fair and reasonable and the entering into of the Lease Agreements is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Implications under the Listing Rules

Pursuant to HKFRS 16, the entering into of the Lease Agreements by the Tenants will require the Group to recognise the Premises as a right-of-use asset. Therefore, the entering into of the Lease Agreements will be regarded as an acquisition of asset by the Group under the Listing Rules. The unaudited value of right-of-use asset recognised by the Company under the Lease Agreements amounted to approximately RMB44.85 million.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the acquisition of right-of-use asset recognised by the Group pursuant to HKFRS 16 based on the consideration under the Lease Agreements is 25% or more but is less than 100% when aggregated, the entering into of the Lease Agreements constitutes a major transaction for the Company and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Effects of the Lease Agreement on the Consolidated Statement of Profit or Loss and Consolidated Statement of Financial Position of the Group

In accordance with HKFRS 16, the estimated value of the right-of-use asset recognised by the Group under the Lease Agreements amounted to approximately RMB44.85 million which is calculated with reference to the present value of the aggregated lease payments to be made. The Group will depreciate the right-of-use assets over the estimated useful life of 24 months on a straight line-basis and a monthly depreciation amounting to approximately RMB3.74 million will be charged to the consolidated statement of profit or loss. Lease liabilities amounting to approximately RMB44.85 million is recognised by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the Landlord accordingly. There would be no change in net assets on the consolidated statement of financial position of the Group immediately after the entering into the Lease Agreements.

3. THE EGM

The notice convening the EGM and a form of proxy are appended to this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

To the best of the knowledge, information and beliefs of the Directors having made all reasonable enquiries, no Shareholders or any of their respective associates have a material interest in the Leases, thus no Shareholders are required to abstain from voting at the EGM.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Shareholder A and Shareholder B, who control an aggregate of 1,310,996,765 Shares, which represents approximately 50.42% of the total number of issued shares of the Company, has irrevocably undertaken to the Company that they would vote in favour of the resolution(s) proposed at the EGM in relation to the Leases.

4. BOOK CLOSURE PERIOD

For the purpose of ascertaining the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 26 January 2021 to Friday, 29 January 2021 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Monday, 25 January 2021.

5. VOTING BY POLL

Pursuant to Rule 13.39 of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. At the EGM, the chairman of the EGM will demand a poll for each and every proposed resolution, except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

6. RECOMMENDATION

The Directors consider that the terms of the Lease Agreements and the transactions contemplated thereunder are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the proposed resolution at the EGM.

7. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

8. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
IDT International Limited
Zhu Yongning
Executive Director and Chief Executive Officer

1. FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out in this circular the financial information for the last three financial years with respect to the profits and losses, financial record and position, as a comparative table and the latest published audited statement of financial position together with the notes on the annual accounts for the last financial year for the Group.

The financial information of the Group for the six months ended 30 June 2020 is disclosed in the interim report of the Company from pages 4 to 15 which was published on 25 September 2020 on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0925/2020092500789.pdf>) and the website of the Company at <http://www.idthk.com/list-48.html>.

The audited consolidated financial statements of the Group for the year ended 31 December 2019 are set out in pages 96 to 200 of the annual report 2019 of the Company which was published on 22 June 2020 on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0622/2020062200343.pdf>) and the website of the Company at http://www.idthk.com/Uploads/file/20200703/20200703095127_19209.pdf.

The audited consolidated financial statements of the Group for the year ended 31 December 2018 are set out in pages 90 to 200 of the annual report 2018 of the Company which was published on 26 April 2019 on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0426/lt201904261455.pdf>) and the website of the Company at http://www.idthk.com/Uploads/file/20190426/20190426180029_91505.pdf.

The audited consolidated financial statements of the Group for the year ended 31 December 2017 are set out in pages 102 to 184 of the annual report 2017 of the Company which was published on 17 April 2018 on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0417/lt20180417451.pdf>) and the website of the Company at http://www.idthk.com/Uploads/file/20180803/20180803180128_82438.pdf.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November 2020, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the details of the Group's indebtedness are as follows:

Lease liabilities

The Group leases various properties and office for its daily operation in PRC. As at 30 November 2020, the Group, as a lessee, had lease liabilities with outstanding principal amount of approximately HK\$1.7 million.

Borrowings

As at 30 November 2020, the Group had an outstanding borrowing (including interest payable) from a financial institution of approximately HK\$44.0 million which was unsecured and wholly repayable on 31 March 2026.

Loan from a Shareholder

As at 30 November 2020, the Group had an outstanding loan from a Shareholder with principal amount of approximately HK\$102.9 million. The loan was unsecured, interest-free and repayable on demand.

The Shareholder has confirmed in writing that it will not demand the partial or full repayment of the shareholder's loan until such demand or withdrawal has no significant adverse impact on the Group's going concern and the sufficiency of working capital.

Contingent liabilities

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 3.7 million (equivalent to approximately HK\$5.4 million). After seeking the independent legal advice, the Directors consider that the outcome and the amount of final payment, if any, are uncertain but the expected value of liability is insignificant to the Group. Therefore, no provision has been made as at 30 November 2020.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, as at the close of business on 30 November 2020, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, and term loans, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources, including banking and other facilities available to the Group and its internally generated funds, and considering the effect of the Lease Agreements, the Group has sufficient working capital for its present requirement for at least the next twelve months from the date of publication of this circular.

4. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited financial statements of the Company were made up.

5. FINANCIAL AND BUSINESS PROSPECT OF THE GROUP

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 the Mainland of the PRC and Hong Kong and the industry in which the Group operates.

As disclosed in the interim report of the Company for the six months ended 30 June 2020, the revenue of the Group for such period was only approximately HK\$32,100,000, compared to HK\$113,300,000 for the same period in 2019.

Nonetheless, the Board considered that there are still opportunities for the consumer electronic products in the long-run, in particular for those related to health.

As at the Latest Practicable Date, it is intended that the Group will continue to develop its market in the Mainland of the PRC and maximizes customer coverage through offline and online channels, with customized product development focusing on sports fitness health and smart learning products. The Group is still in the progress of seeking and negotiating on strategic partnerships with leading institutes in the areas of children learning and healthcare in the Mainland of the PRC to develop customized products and promotion through joint effort.

At the same time, the Group will 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.

Due to the COVID-19 pandemic, the economy had declined in the first half of 2020. However, as the situation has improved in the mainland of the PRC since the latter half of 2020, the management of the Group remains optimistic towards a steady recovery on the demand for the products of the Group.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors and Chief Executive

As at the Latest Practicable Date, the interests or short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the “Model Code”), were as follows:

Long position in the Shares

Name	Nature of Interests	No. of Shares held	% of the issued share capital
Zhu Yongning (Note 1)	The interests of the controlled corporation	753,997,995 (L) (Note 2)	29.00%

Notes:

- (1) Zhu Yongning holds 100% of the equity interests of China Huaneng Foundation Construction Investment Ltd (“Huaneng”). Therefore, it is deemed to be interested in the interest in the shares of the Company held by Huaneng through its subsidiary.
- (2) The letter “L” denotes the shareholder’s long position in the shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interest or a short position in the Shares, the underlying Shares or debentures of the Company or any of its associated corporations

(within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which are taken or deemed to have under such provisions of the SFO); or (ii) which were required to be recorded in the register required to be kept by the Company under section 352 of the SFO; or (iii) which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial shareholders' interest and short positions in Shares, underlying Shares and debentures of the Company

As at the Latest Practicable Date, so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) had or deemed or taken to have an interest or short position in the Shares, the underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO:

Long position in the Shares

Name	No. of Shares held	% of the issued share capital
China Huaneng Foundation Construction Investment Ltd	753,997,995 (L) (Note 5)	29.00%
Zhu Yongning (Note 1)	753,997,995 (L) (Note 5)	29.00%
Jiangsu Hongtu High Technology Co., Ltd (Note 2)	556,898,770 (L) (Note 5)	21.42%
Jiangsu Hongtu High Technology (Hong Kong) Co. Limited (Note 3)	556,898,770 (L) (Note 5)	21.42%
Hongtu High Technology Int'l Inc.	556,898,770 (L) (Note 5)	21.42%
Chan Pau Shiu Yeng Shirley (Note 4)	130,412,067 (L) (Note 5)	5.02%
Raymond Chan (Note 4)	130,412,067 (L) (Note 5)	5.02%

Notes:

- (1) Zhu Yongning holds 100% of the equity interests of China Huaneng Foundation Construction Investment Ltd ("Huaneng"). Therefore, it is deemed to be interested in the interest in the shares of the Company held by Huaneng through its subsidiary.

- (2) Jiangsu Hongtu High Technology Co., Ltd. holds 100% of the equity interests of Jiangsu Hongtu High Technology (Hong Kong) Co. Limited (“Hongtu (HK)”). Therefore, it is deemed to be interested in the interest in the shares of the Company held by Hongtu (HK) through its subsidiary (see note 3 below).
- (3) Hongtu (HK) holds 100% of the issued share of Hongtu High Technology Int’l Inc. (“Hongtu (Seychelles)”). Therefore, Hongtu (HK) is deemed to be interested in the 556,898,770 shares of the Company beneficially owned by Hongtu (Seychelles) by virtue of its shareholding of Hongtu (Seychelles).
- (4) Mrs. Chan Pau Shiu Yeng, Shirley (“Mrs. Chan”) is the wife of Dr. Raymond Chan (“Dr. Chan”). She is therefore deemed to be interested in the 130,412,067 shares of the Company held by Dr. Chan. The letter “L” denotes the shareholder’s long position in the shares.
- (5) The letter “L” denotes the shareholder’s long position in the shares.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any other persons (other than the Directors or the chief executive of the Company) or entities who had or deemed or taken to have an interest or a short position in the Shares, the underlying shares of the Company or the debentures of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

3. DIRECTORS’ INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates (has the meaning ascribed to it under the Listing Rules) was considered to have interested in business apart from the Group’s businesses which competed, or might compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

4. DIRECTORS’ INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which has since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Group were made up) up to the Latest Practicable Date, been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

5. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which would not expire or would not be determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN CONTRACT

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

7. MATERIAL CONTRACTS

No contracts outside the ordinary course of business carried on by the Group had been entered into by the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date which are or may be material.

8. LITIGATION

As at the Latest Practicable Date, 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. The dispute may cause a maximum tax payment including penalty and interest of approximately Brazilian Real 3.7 million (equivalent to approximately HK\$5.4 million). As at the Latest Practicable Date, the aforesaid legal proceedings were still in progress.

Save as disclosed above, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. GENERAL

- (a) The secretary of the Company is Mr. Shum Shing Kei, who is a fellow member of The Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company in Bermuda is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company in Hong Kong is at Block C, 9th Floor, Phase 1, Kaiser Estate, 41 Man Yue Street, Hunghom, Kowloon, Hong Kong.
- (c) The principal share registrar of the Company in Bermuda is Conyers Corporate Services (Bermuda) Limited at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The branch share registrar of the Company in Hong Kong is Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.
- (d) Should there be any inconsistencies between the English text and the Chinese text of the circular, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Block C, 9th Floor, Phase 1, Kaiser Estate, 41 Man Yue Street, Hunghom, Kowloon, Hong Kong during normal business hours from 9:30 a.m. to 12:00 noon and 2:00 p.m. to 5:30 p.m. on any weekday (except Saturdays and public holidays) for a period of 14 days from the date of this circular:

- (a) the Lease Agreements;
- (b) the memorandum and articles of association of the Company;
- (c) the annual reports of the Company for the two years ended 31 December 2018 and 2019;
- (d) the interim report of the Company for the six months ended 30 June 2020; and
- (e) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



IDT INTERNATIONAL LIMITED

萬威國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of IDT International Limited (the “Company”) will be held at 2:00 p.m. on 29 January 2021, at Room 303, Building 33, Chentian Industrial Area, Xixiang Town, Baoan Estate, Shenzhen, the People’s Republic of China for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (A) the Lease Agreements (as defined in the circular of the Company dated 14 January 2021 (the “Circular”), of which marked “A” and signed by the chairman of the Meeting for identification purpose has been tabled at the Meeting, and copies of the Lease Agreements are marked “B” and signed by the chairman of the Meeting for identification purpose have been tabled at the Meeting) be and are hereby approved, confirmed and ratified and the transactions contemplated thereunder be and are hereby approved; and
- (B) any one of the directors of the Company (the “Directors”) or a duly authorised committee of the board of Directors be and are/is authorised to do all such acts and things, to sign and execute such documents or agreements or deed on behalf of the Company and to do such other things and to take all such actions as they may consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Leases (as defined in the Circular) and all transactions contemplated thereunder and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof, which are not fundamentally and materially different from those as provided for in the Lease Agreements as are, in the opinion of the Directors or such duly authorised committee, in the interest of the Company and its shareholders as a whole.”

By Order of the Board
IDT International Limited
Zhu Yongning
Executive Director and Chief Executive Officer

Hong Kong, 14 January 2021

* *For identification purpose only*

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more than one proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. To be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged with the Company's branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the appointed time for holding the EGM or any adjournment thereof.
2. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending in person and voting at the EGM or any adjournment thereof, should he so wish. In such event, the instrument appointing a proxy shall be deemed revoked.
3. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the above extraordinary general meeting, the vote of the senior who tenders a vote, whether in person, or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 8:00 a.m. in Hong Kong on the date of the EGM, the EGM will be postponed. The Company will publish an announcement on the website of the Company at www.idthk.com and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the date, time and venue of the rescheduled EGM.

As at the date hereof, the executive director of the Company is Mr. Zhu Yongning (Chief Executive Officer); the non-executive director of the Company is Mr. Cui Xiao; and the independent non-executive directors of the Company are Mr. Zhou Meilin, Mr. Xu Jinwen and Mr. Zhou Rui.