
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) SUPPLEMENTAL INFORMATION RELATED TO
THE MAJOR TRANSACTION IN RELATION TO
THE HEAD-LEASE AGREEMENTS;
(2) MAJOR TRANSACTION IN RELATION TO
THE SUB-LEASE AGREEMENTS; AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of IDT International Limited (the “EGM”) to be held at 11:00 a.m. on 18 February 2022 at 1/F, 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, the Second Announcement and the Third 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, confirming and ratifying the Head-leases and the Sub-leases and transactions contemplated thereunder
“Finance Lease Sub-tenant A” or “SZSR”	深圳市首仁科技有限公司 (unofficial English translation being Shenzhen Shouren Technology Company Limited), a company established in the PRC with limited liability
“Finance Lease Sub-tenant B”	深圳市百立勤餐飲策劃管理有限公司 (unofficial English translation being Shenzhen Bailiqin Catering Planning and Management Company Limited), a company established in the PRC with limited liability
“Finance Lease Sub-tenant C”	深圳市東升泰食品有限公司 (unofficial English translation being Shenzhen Dongshengtai Food Company Limited), a company established in the PRC with limited liability
“Finance Lease Sub-tenant D”	深圳市愛寶惟生物科技有限公司 (unofficial English translation being Shenzhen Aibaowei Biotechnology Company Limited), a company established in the PRC with limited liability
“Finance Lease Sub-tenants”	the sub-tenants of the Sub-leases which include Finance Lease Sub-tenant A, Finance Lease Sub-tenant B, Finance Lease Sub-tenant C and Finance Lease Sub-tenant D

DEFINITIONS

“First Announcement”	the announcement of the Company dated 14 December 2020 in relation to the Head-lease Agreements
“First Circular”	the circular of the Company dated 14 January 2021 in relation to the Head-lease Agreements
“First EGM”	the extraordinary general meeting of the Company held on 30 January 2021 for the purpose of considering and if thought fit, approving the Head-leases and the transactions contemplated under the Head-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
“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”	20 January 2022, 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)

DEFINITIONS

“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 HEAD-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 Head-lease Agreements
“Share(s)”	share(s) in the Company
“Shareholder(s)”	holders of the Shares from time to time
“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)

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“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)
“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
“Sub-lease Agreement(s)”	the sub-lease agreement(s) entered into between the Tenant and the Finance Lease Sub-tenants, the details of which are stated in the section headed “SUB-LEASE AGREEMENTS” of this circular
“Sub-leases”	the sub-leases of part of Sites 1, 2, 3, 4, 5 and 7 by the Group, details of which are set out in the section headed “SUB-LEASE AGREEMENTS” of this circular
“Tenant(s)”	the tenant(s) of the Lease(s), being IDT (Shenzhen), Zhanke (Shenzhen) and/or IDT Technology (Shenzhen)
“Third Announcement”	the supplemental announcement of the Company dated 29 October 2021 in relation to the Head-leases and the Sub-leases
“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.



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

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Hong Kong

25 January 2022

To the Shareholders

Dear Sir or Madam,

**(1) SUPPLEMENTAL INFORMATION RELATED TO
THE MAJOR TRANSACTION IN RELATION TO
THE HEAD-LEASE AGREEMENTS;
(2) MAJOR TRANSACTION IN RELATION TO
THE SUB-LEASE AGREEMENTS; AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the Announcements and the First Circular, 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 Head-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, and the Group entered into Sub-lease Agreements with Finance Lease Sub-tenants on 1 February 2021 for a fixed term of 2 years from 1 February 2021 to 31 January 2023.

* *For identification purpose only*

LETTER FROM THE BOARD

Since the information in relation to the Sub-lease Agreements might or might not have affected the voting intention of the Shareholders on the Head-lease Agreements at the First EGM, the purpose of this circular is to provide you with information in respect of, among other things, (i) further information relating to the Head-lease Agreements and the Sub-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 HEAD-LEASE AGREEMENTS

The principal terms of the Head-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 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 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>		

3. SUB-LEASE AGREEMENTS

As disclosed in the Announcements, the Group has been permitted by the Landlord to use the Premises since 1 April 2020 and until 31 January 2021 upon payment of monthly rental without fixed-term tenancy agreement, during the period of which part of the Premises had been sub-leased by the Group to independent third party sub-tenants upon monthly payment without fixed-term tenancy. Based on the applicable accounting standard, such sub-leases without fixed term should be classified as “rental income” or “other income”, and would not constitute finance lease or notifiable transaction under the Listing Rules.

LETTER FROM THE BOARD

After the First EGM held on 29 January 2021 which approved the Head-lease Agreements for a term from 1 February 2021 to 31 January 2023, the Group and the Finance Lease Sub-tenants discussed about the possibility of entering into formal sub-leases upon the same monthly rental and for a term mirroring the term of the Head-lease Agreements, details of which are as follows:

	Address of the property concerned	Reference to the First Circular	Counterparties	Term	Area (square metres)	Monthly rent (RMB)
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2, 3, 4樓及30棟1-4樓及31棟2, 5樓 (unofficial English translation being 2, 3 and 4/F of Tower 29, 1-4/F of Tower 30 and 2/F, 5/F of Tower 31, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)	Part of Site 1, Site 2 and Site 5	Finance Lease Sub-tenant A	1 February 2021 to 31 January 2023	19,367.25	569,397.15
2	中國深圳市寶安區西鄉街道寶民二路臣田工業區第31棟4樓 (unofficial English translation being 4/F of Tower 31, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)	Part of Site 5	Finance Lease Sub-tenant A	1 February 2021 to 31 January 2023	1,925.00	56,595.00
3	中國深圳市寶安區西鄉街道寶民二路臣田工業區第33棟1, 2, 5樓 (unofficial English translation being 1, 2, 5/F of Tower 33, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)	Part of Site 7	Finance Lease Sub-tenant A	1 February 2021 to 31 January 2023	4,895.00	202,751.00
				Sub-total:	26,187.25	828,743.15
4	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2樓 (unofficial English translation being 2/F of Tower 14, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)	Part of Site 3	Finance Lease Sub-tenant B	1 February 2021 to 31 January 2023	350.00	9,187.50
5	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樓 (unofficial English translation being 1/F of Tower 32, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)	Part of Site 4	Finance Lease Sub-tenant C	1 February 2021 to 31 January 2023	1,925.00	59,578.75
6	中國深圳市寶安區西鄉街道寶民二路臣田工業區第33棟4樓 (unofficial English translation being 4/F of Tower 33, Chentian Industrial District, Baomin Er Road, Xixiang Road, Baoan District, Shenzhen, the PRC)	Part of Site 7	Finance Lease Sub-tenant D	1 February 2021 to 31 January 2023	858.00	35,538.36
				Total:	29,320.25	933,047.76

LETTER FROM THE BOARD

The monthly rental under the Sub-lease Agreements is determined with reference to the prevailing market rental of similar property in nearby locations. Details of the abovementioned properties had been stated in the First Circular and section headed “THE HEAD-LEASE AGREEMENTS” of this circular.

Because of the Company’s inadvertent misunderstanding on the accounting standard, the Company was unaware that the entering into of the Sub-lease Agreements on 1 February 2021 would be considered as a finance lease which constitute transaction as defined under Chapter 14 of the Listing Rules. Further, the Sub-lease Agreements with Finance Lease Sub-tenant A, on aggregate basis, constitute a major transaction of the Company under Chapter 14 of the Listing Rules, while each of the Sub-lease Agreements with Finance Lease Sub-tenant B, Finance Lease Sub-tenant C and Finance Lease Sub-tenant D does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

4. 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.

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.

Based on the available public records, Finance Lease Sub-tenant A is principally engaged in electronic products development and sales, and is owned as to 50% and 50% by Huang Huabiao (黃華彪) and Huang Yanmei (黃燕梅). To the best knowledge and belief of the Company, Finance Lease Sub-tenant A and its ultimate beneficial owners are parties independent to the Company and not related to the Company and its connected persons.

LETTER FROM THE BOARD

Based on the available public records, Finance Lease Sub-tenant B is owned as to 55% and 45% by Li Juncheng (李軍城) and Li Junpai (李軍排) respectively. To the best knowledge and belief of the Company, Finance Lease Sub-tenant B and its ultimate beneficial owners are parties independent to the Company and not related to the Company and its connected persons.

Based on the available public records, Finance Lease Sub-tenant C is owned as to 99% and 1% by Sun Sehong (孫瑟鴻) and Lin Yingnan (林迎楠) respectively. To the best knowledge and belief of the Company, Finance Lease Sub-tenant C and its ultimate beneficial owners are parties independent to the Company and not related to the Company and its connected persons.

Based on the available public records, Finance Lease Sub-tenant D is owned as to (1) 32.8% by Zeng Xifeng (曾錫鋒), (2) 20% by Donut Diabetes Clinical Medical Research (Shenzhen) Enterprise LLP (糖糖圈糖尿病臨床醫學研究(深圳)企業(有限合夥)) which is in turn wholly owned by Zeng Xifeng (曾錫鋒) and Zeng Hanfeng (曾漢鋒), (3) 15.2% by Zeng Hanfeng (曾漢鋒), (4) 12% by Shenzhen Donut Internet Technology Enterprise LLP (深圳市糖糖圈網絡科技企業(有限合夥)) which is in turn wholly owned by Zeng Xifeng (曾錫鋒), Wang Baohong (王寶紅), Lai Changwang (賴昌旺) and Tang Long (唐龍), (5) 10% by Chen Xiaozhuang (陳小莊) and (6) 10% by Zhongguo Lianhe Health Products Group Company Limited (中國聯和健康產業集團有限公司), which is ultimately owned by Easy Peak Limited (a company incorporated in British Virgin Islands), State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), Chen Guohua (陳國華), Chen Xiaozhuang (陳小莊), Lin Yuping (林玉屏) and Liang Junlun (梁軍倫). To the best knowledge and belief of the Company, Finance Lease Sub-tenant D and its ultimate beneficial owners are parties independent to the Company and not related to the Company and its connected persons.

5. REASONS FOR AND THE BENEFITS OF ENTERING INTO THE HEAD-LEASE AGREEMENTS AND THE SUB-LEASE AGREEMENTS

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 fixed-term 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 Head-lease Agreements as of the date of the First Announcement. The monthly rental under the Head-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

LETTER FROM THE BOARD

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 Head-lease agreements which expired on 31 March 2020, to 13 December 2020, being the date of Head-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.

However, due to weak demand for the Group's products as demonstrated by the Company's recent decrease in revenue, the Group could not use all the spaces leased by the Group at the Premises, and the total areas of the Premises are in excess of the Group's need as at the time of entering into of the Head-lease Agreements. On the other hand, the Group may need more space and these spaces when the demand for the Company's products becomes stronger in future. The Directors are of the view that subletting certain areas of the factories in excess of the production needs to its sub-lessees (which are independent third parties) can generate income to the Group for reducing the net lease payments of the Group and is for the benefit of the Company and its shareholders as a whole. It can maximise the Company's resources from the operation perspective and increase the Company's cash inflow. In addition, the monthly rental received under Sub-lease Agreements from the sub-leased areas being an aggregate of RMB933,047.76 represents approximately 7.05% premium over the pro-rata rental of RMB871,599 under the Head-lease Agreements.

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

LETTER FROM THE BOARD

6. EFFECTS OF THE HEAD-LEASE AGREEMENTS AND THE SUB-LEASE AGREEMENTS ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AND IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16, the entering into of the Head-lease Agreements by the Group will require the Group to recognise the Premises as a right-of-use asset. Therefore, the entering into of the Head-lease Agreements will be regarded as an acquisition of asset by the Group under the Listing Rules. The audited value of right-of-use asset initially recognised by the Company under the Head-lease Agreements amounted to approximately RMB57.1 million.

Pursuant to Hong Kong Accounting Standard (“HKAS”) 17, the entering into of the Sub-lease Agreements by the Group will require the Group to recognise the Sub-leases as finance lease receivables. Therefore, the entering into of the Sub-lease Agreements should be regarded as an acquisition of asset by the Group under the Listing Rules. The audited value of finance lease receivables initially recognised by the Company under the Sub-lease Agreements amounted to approximately RMB26.4 million in aggregate.

As the highest applicable percentage ratio (the “Applicable Percentage Ratio”) as defined under the Listing Rules in respect of the entering into of the Head-lease Agreements pursuant to HKFRS 16 and the subsequent acquisition of the finance lease receivables recognised by the Group pursuant to HKAS 17 based on the consideration under the Sub-lease Agreements with Finance Lease Sub-tenant A is 25% or more but is less than 100% when aggregated, the entering into of the Sub-lease Agreements with Finance Lease Sub-tenant A 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.

The Applicable Percentage Ratio in respect of Sub-lease Agreement with each of Finance Lease Sub-tenant B, Finance Lease Sub-tenant C and Finance Lease Sub-tenant D is below 5% and do not constitute discloseable transaction or major transaction of the Company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Company’s Shareholders or their respective associates have any material interests in the Head-lease Agreements and the Sub-lease Agreements. Accordingly, in the event of a general meeting convened by the Company to approve, confirm and ratify the Head-lease Agreements and the Sub-lease Agreements with Finance Lease Sub-tenant A, none of the Company’s Shareholders are required to abstain from voting.

As at the Latest Practicable Date, China Huaneng Foundation Construction Investment Ltd (“China Huaneng”) and Hongtu High Technology Int’l Inc (“Hongtu”), who control an aggregate of 1,310,896,765 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 Head-lease Agreements and the Sub-lease Agreements with Finance Lease Sub-tenant A.

LETTER FROM THE BOARD

7. BREACHES OF THE LISTING RULES AND REMEDIAL ACTIONS TAKEN BY THE GROUP

The Group did not announce the details of the Sub-lease Agreements with Finance Lease Sub-tenant A and the transactions contemplated thereunder as a major transaction in a timely manner and obtained Shareholders' approval in advance as required by Rules 14.34 and 14.40 of the Listing Rules due to inadvertent oversight of the implementation of HKFRS 16 in relation to Sub-lease Agreements with Finance Lease Sub-tenant A. The Board was not aware of that pursuant to HKFRS 16, the entering into of the Sub-lease Agreements by the Group as a sub-lessor will require the Group to recognise the Premises as a finance lease receivable and such will be regarded as an acquisition of asset by the Group under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules, which shall be subject to percentage ratios (as defined in Rule 14.04(9)) and disclosure requirements under Chapter 14 of the Listing Rules. Upon considering the size tests conducted by the Company, the Board admits that the entering into of the Sub-lease Agreements with SZSR should be a major transaction of the Group. The Company has accordingly circulated an internal reminder to the management of the Group to report any transactions which may have Listing Rules implications to the Board to assess the applicable compliance requirements before entering into any such transactions.

To ensure the Company's compliance with the Listing Rules in the future, the Company will take/has taken the following remedial measures:

- (i) the Company has obtained the written approval confirmation from the two largest shareholders of the Company who hold, in aggregate, over 50% of the entire issued share capital of the Company that they would approve, confirm and ratify the entering into of (i) the Head-lease Agreements on the condition that the Group may sub-lease the Premises, and (ii) the entering into of the Sub-lease Agreements with Finance Lease Sub-tenant A which are subject to shareholders approval pursuant to Chapter 14 of the Listing Rules. The Company will hold the EGM for shareholders to vote by poll, and the aforesaid two largest shareholders will also cast vote at the EGM;
- (ii) the Company has published the Third Announcement and this circular regarding the EGM disclosing the details of the current Head-lease Agreements and Sub-lease Agreements with Finance Lease Sub-tenant A which are classified as finance leases; and
- (iii) the Board has arranged for an accounting training provided by a firm of certified public accountants in Hong Kong on 27 August 2021 for all its Directors on leases, with the hope of updating the Directors on the proper accounting treatment of leases (and also the related Listing Rules) and minimizing the chance of any similar incidents being occurred again.

LETTER FROM THE BOARD

8. 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 or the Sub-lease Agreement with Finance Lease Sub-tenant A, thus no Shareholders are required to abstain from voting at the EGM.

9. 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, 15 February 2022 to Friday, 18 February 2022 (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, 14 February 2022.

10. 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.

11. RECOMMENDATION

The Directors consider that the terms of the Head-lease Agreements, the Sub-lease Agreement with Finance Lease Sub-tenant A 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.

LETTER FROM THE BOARD

12. 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.

13. 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 2021 is disclosed in the interim report of the Company from pages 4 to 20 which was published on 27 September 2021 on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0927/2021092700451.pdf>) and the website of the Company at http://www.idthk.com/Uploads/file/20211112/20211112094042_22230.pdf.

The audited consolidated financial statements of the Group for the year ended 31 December 2020 are set out in pages 96 to 199 of the annual report 2020 of the Company which was published on 30 April 2021 on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0430/2021043002823.pdf>) and the website of the Company at http://www.idthk.com/Uploads/file/20210615/20210615105753_60922.pdf.

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.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November 2021 (the “LPD”) , 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 the LPD, the Group, as a lessee, had lease liabilities with outstanding principal amount of approximately HK\$42.4 million.

Borrowings

As at the LPD, the Group had an outstanding borrowing (including interest payable) from a financial institution of approximately HK\$47.6 million which was unsecured and wholly repayable on 31 March 2026.

Loan from a Shareholder

As at the LPD, the Group had an outstanding loan from a Shareholder with principal amount of approximately HK\$160.8 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 3.8 million (equivalent to approximately HK\$5.3 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 the LPD.

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 the LPD, 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 Group recorded a loss of approximately HK\$35.6 million (30 June 2020: HK\$37.4 million) for the six months ended 30 June 2021 and as at that date, had net current liabilities of approximately HK\$230.0 million (31 December 2020: HK\$200.2 million) and net liabilities of approximately HK\$255.0 million (31 December 2020: HK\$221.3 million). There is a material uncertainty related to these conditions that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and

discharge its liabilities in the normal course of business. In view of these circumstances, the management of the Company has taken the following steps to improve the Group's financial position:

1. China Huaneng Foundation Construction Investment Limited ("Huaneng"), the largest shareholder of the Company and its controlling shareholder, has committed and has proved their ability to provide continuous financial support to the Group as is necessary to enable the Group to meet its day-to-day operations and its financial obligations as they fall due;
2. Huaneng has undertaken that the repayment of its loan to the Group with an unaudited carrying amount of approximately HK\$160.8 million at 30 November 2021 will not be requested within twelve months from the date of publication of this circular, unless the Group has obtained funding from other sources and is in a position to meet all repayment obligations at that time;
3. the Group continues to improve the operating efficiency by implementing measures to tighten cost controls over various operating expenses in order to enhance its profitability and to improve the cash flow from its operation in future;
4. the Group continues to seek opportunities with the financial institutions for the inception of the new financing arrangement to meet the Group's working capital and financial requirements in the future; and
5. the Group is actively exploring the availability of alternative source of financing.

In view of the above, 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 Sub-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 2020, 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 2021, the Group continues to face challenges 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 2021, the revenue of the Group for such period was only approximately HK\$12,200,000, compared to HK\$32,100,000 for the same period in 2020.

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 continued to decline in the first half of 2021. However, as the situation has improved in the mainland of the PRC since the latter half of 2021, 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 (<i>Note 1</i>)	The interests of the controlled corporation	753,997,995 (L) (<i>Note 2</i>)	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 2020 (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 3.8 million (equivalent to approximately HK\$5.3 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. Chen Kun, who is a practising solicitor in Hong Kong.
- (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 ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.idthk.com) from the date of this circular up to and including the date of the EGM:

- (a) the Head-lease Agreements;
- (b) the Sub-lease Agreements entered into with Sub-tenant A;
- (c) the memorandum and articles of association of the Company;
- (d) the annual reports of the Company for the two years ended 31 December 2019 and 2020;
- (e) the interim report of the Company for the six months ended 30 June 2021; and
- (f) 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 11:00 a.m. on 18 February 2022 at 1/F, 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 Head-lease Agreements (as defined in the circular of the Company dated 25 January 2022 (the “Circular”), of which marked “A” and signed by the chairman of the Meeting for identification purpose has been tabled at the Meeting, be and are hereby approved, confirmed and ratified and the transactions contemplated thereunder be and are hereby approved;
- (B) the Sub-lease Agreements ((as defined in the Circular) entered into with Finance Lease Sub-tenant A (as defined in the Circular), of which 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
- (C) 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 Head-leases (as defined in the Circular) and the Sub-leases (as defined in the Circular) with Finance Lease Sub-tenant A 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 Head-lease Agreements and the Sub-lease

* *For identification purpose only*

NOTICE OF EXTRAORDINARY GENERAL MEETING

Agreements entered into with Finance Lease Sub-tenant A 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, 25 January 2022

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.