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IDT INTERNATIONAL LIMITED

萬威國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK\$47.4 million (1H2024: approximately HK\$51.1 million).
- Gross profit was approximately HK\$5.9 million (1H2024: approximately HK\$17.4 million).
- Total operating expenses amounted to approximately HK\$7.9 million (1H2024: approximately HK\$6.4 million).
- Profit for the period amounted to approximately HK\$62.6 million (1H2024: profit of approximately HK\$5.6 million).
- The Board does not recommend dividend for 1H2025 (1H2024: nil).

* For identification purposes only

The board of directors (the “**Board**”) of IDT International Limited (the “**Company**”) hereby announces the unaudited condensed results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Interim Period**”) together with the comparative figures for the corresponding period for the six months ended 30 June 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	<i>Note</i>	HK\$'000	HK\$'000
Revenue	4	47,388	51,084
Cost of goods sold		(41,524)	(33,648)
Gross profit		5,864	17,436
Other income and gains, net	5	64,812	17
Research expenses		–	(19)
Distribution and selling expenses		(1,205)	(22)
General administrative and other operating expenses		(6,655)	(6,402)
Finance costs		(773)	(1,747)
Profit before taxation	6	62,043	9,263
Income tax credit (expense)	7	570	(3,644)
Profit for the period		62,613	5,619
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		3,983	506
Total comprehensive income for the period		66,596	6,125
Profit for the period attributable to:			
– Owners of the Company		62,613	5,619
– Non-controlling interests		–	–
		62,613	5,619
Total comprehensive income for the period attributable to:			
– Owners of the Company		66,596	6,125
– Non-controlling interests		–	–
		66,596	6,125
Earnings per share			
Basic and diluted (<i>HK cents</i>)	8	22.33	(Restated) 12.97

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
	Note		
Non-current assets			
Property, plant and equipment	9	497	–
Right-of-use assets	10	1,153	1,803
Goodwill		–	–
Deposit for acquisition of property, plant and equipment	9	16,122	–
		<u>17,772</u>	<u>1,803</u>
Current assets			
Inventories		26	123
Trade and other receivables	11	66,828	76,760
Bank balances and cash		<u>103,730</u>	<u>2,182</u>
		<u>170,584</u>	<u>79,065</u>
Current liabilities			
Trade and other payables	12	76,382	92,552
Contract liabilities		5,215	7,623
Borrowings		1,264	1,217
Lease liabilities		1,071	1,351
Tax payable		553	9,665
Loan from the Creditor	13	–	196,598
		<u>84,485</u>	<u>309,006</u>
Net current assets (liabilities)		<u>86,099</u>	<u>(229,941)</u>
Total assets less current liabilities		<u>103,871</u>	<u>(228,138)</u>
Non-current liabilities			
Lease liabilities		104	472
Unlisted secured bonds	14	<u>32,632</u>	<u>–</u>
		<u>32,736</u>	<u>472</u>
NET ASSETS (LIABILITIES)		<u><u>71,135</u></u>	<u><u>(228,610)</u></u>

		At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
	Note		
Capital and reserves			
Share capital	15	259,999	259,999
Reserves		<u>(188,957)</u>	<u>(488,702)</u>
Equity attributable to owners of the Company		71,042	(228,703)
Non-controlling interests		<u>93</u>	<u>93</u>
NET EQUITY (DEFICIT)		<u>71,135</u>	<u>(228,610)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company						Non-controlling interests	Total
	Share capital	Share premium	Contributed surplus	Other reserve	Translation reserve	Accumulated losses		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2025 (audited)	259,999	165,043	-	32,466	(103,956)	(582,255)	(228,703)	93
Profit for the period	-	-	-	-	-	62,613	62,613	-
Other comprehensive income								
<i>Item that may be reclassified subsequently to profit or loss:</i>								
Exchange differences arising on translation of foreign operations	-	-	-	-	3,983	-	3,983	-
Total comprehensive income for the period	-	-	-	-	3,983	62,613	66,596	-
Transactions with owners								
Capital reduction (note 15)	(233,999)	-	233,999	-	-	-	-	-
Cancellation of share premium (note 15)	-	(165,043)	165,043	-	-	-	-	-
Issue of new shares upon placing (note 15)	233,999	-	-	(850)	-	-	233,149	-
Total transactions with owners	-	(165,043)	399,042	(850)	-	-	233,149	-
At 30 June 2025 (unaudited)	259,999	-	399,042	31,616	(99,973)	(519,642)	71,042	93
At 1 January 2024 (audited)	259,999	165,043	-	32,466	(101,641)	(696,876)	(341,009)	93
Profit for the period	-	-	-	-	-	5,619	5,619	-
Other comprehensive income								
<i>Item that may be reclassified subsequently to profit or loss:</i>								
Exchange differences arising on translation of foreign operations	-	-	-	-	506	-	506	-
Total comprehensive income for the period	-	-	-	-	506	5,619	6,125	-
At 30 June 2024 (unaudited)	259,999	165,043	-	32,466	(101,135)	(691,257)	(334,884)	93

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Net cash (used in) from operating activities	(14,412)	320
Net cash used in investing activities	(16,485)	–
Net cash from (used in) financing activities	<u>132,445</u>	<u>(332)</u>
Net increase (decrease) in cash and cash equivalents	101,548	(12)
Cash and cash equivalents at beginning of the period	<u>2,182</u>	<u>599</u>
Cash and cash equivalents at end of the period, represented by bank balances and cash	<u><u>103,730</u></u>	<u><u>587</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

IDT International Limited (the “**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) was incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of the registered office and principal place of business of the Company is located at 612, 6/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

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

2. BASIS OF PRESENTATION

Basis of preparation

The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 (the “**Interim Financial Statements**”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and with the Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires the management of the Group to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Group since 31 December 2024, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), HKAS and Interpretations issued by the HKICPA. They shall be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2024 (the “**2024 Annual Financial Statements**”).

The Interim Financial Statements have been prepared on the historical cost basis which are presented in Hong Kong dollars (“**HK\$**”) which is the same as the functional currency of the Company. All amounts have been rounded to the nearest thousand.

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the 2024 Annual Financial Statements except for the adoption of the new/revised HKFRS Accounting Standards further described in the “Adoption of new/revised HKFRS Accounting Standards” section which are relevant to the Group and effective for the Group’s financial period beginning on 1 January 2025.

Going concern

In preparing the Interim Financial Statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group recorded an adjusted loss of approximately HK\$2,052,000 (excluding the one-off gains on waiver of loan from the Creditor and settlement of the loan from the Creditor by issuance of the Bonds for an aggregate amount of approximately HK\$64,665,000) and net cash outflow from operations of approximately HK\$14,412,000 for the Interim Period. Furthermore, the Group is subject to a number of tax disputes and pending litigations which are set out in notes 7 and 16 to the Interim Financial Statements at 30 June 2025.

The above events and conditions indicate that the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and, therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of the above circumstances, the management of the Group has given careful consideration to the future liquidity and performance of the Group, the available sources of financing and has considered the Group's cash flow projection that covered a period of not less than twelve months from 30 June 2024 and up to the date of the Interim Financial Statements to assess whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity position and to improve the Group's financial position which include, but are not limited to the followings:

1. the Group is actively identifying potential investor(s) 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. In March 2025, the Group has completed the allotment and issue of new shares to a new investor with net proceeds from the Subscription (as defined in note 15(b)) amounting to approximately HK\$233.1 million;
2. the Group is negotiating with different creditors to restructure/reach a settlement plan for the existing liabilities. In March 2025, the Group has entered into the Deed (as defined in note 13) with the Creditor, detailed in note 13 to the Interim Financial Statements;
3. the Group is implementing measures to control costs and generate adequate cash flows to meet its current and future obligations. Relevant actions include streamlining the existing group structure and identifying and securing new business opportunities to improve profitability;
4. the Group continues to negotiate/seek opportunities with the financial institutions for the renewal of existing/inception of the new financing arrangement to meet the Group's working capital and financial requirements in the future; and
5. the Group is continuously expanding its product portfolio to meet new customer demands and enhance the Group's market competitiveness.

Consequently, the management of the Group has concluded that it is appropriate to prepare the Interim Financial Statements on a going concern basis.

The adoption of the going concern basis may be inappropriate as the outcome of certain measures as described above are uncertain.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the Interim Financial Statements.

3. ADOPTION OF NEW/REVISED HKFRS ACCOUNTING STANDARDS

In the current Interim Period, the Group has applied, for the first time, certain new/revised HKFRS Accounting Standards issued by HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2025 for the preparation of the Interim Financial Statements. The adoption of the new/revised HKFRS Accounting Standards has no significant impact on the Interim Financial Statements.

At the date of authorisation of the Interim Financial Statements, the Group has not early adopted new/revised HKFRS Accounting Standards that have been issued but are not yet effective. The management of the Group does not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future periods will have any material impact on the results and financial position of the Group.

4. REVENUE AND SEGMENT INFORMATION

The Group principally engages in the design, development, manufacture, sales and marketing of various electronic products.

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive directors and chief executive officer, being the CODM, in order to allocate resources to the segments and to assess their performance. As the Group has only one reportable operating segment, no further analysis for segment information is presented.

Performance obligations for contracts with customers

Sales of goods (revenue recognised at a point in time)

The Group sells various electronic products to corporate customers. Revenue represents the amounts received and receivable for goods sold by the Group to outside corporate customers, net of sales related taxes. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term for customers is normally up to 90 days upon delivery or payment in advance is normally required.

During the six months ended 30 June 2025, all performance obligations for sales of goods are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to unsatisfied performance obligations as at the end of the reporting period is not disclosed.

The timing of revenue recognition of all revenue from contracts with customers is at a point in time during the six months ended 30 June 2025 and 2024.

Geographical information

Information about the Group's revenue from external customers is presented based on the location of customers are detailed below:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
The People's Republic of China (the "PRC") (country of domicile)	4,997	47,692
Asia Pacific (excluding the PRC)	5,672	2,365
The United States of America	12,209	1,027
Europe	24,510	—
	47,388	51,084

The following table sets out information about the geographical location of the Group's non-current assets other than deposit for acquisition of property, plant and equipment, which is based on the physical location of the assets:

	At	At
	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Hong Kong	506	708
The PRC	1,144	1,095
	1,650	1,803

Information about major customers

Revenue from a customer contributing over 10% of the total revenue of the Group is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Customer A	N/A	7,501
Customer B	N/A	7,276
Customer C	N/A	5,334
Customer D	15,694	N/A
Customer E	8,817	N/A
Customer F	6,358	N/A
Customer G	4,912	N/A

Revenue from Customer A, B and C were less than 10% of the total revenue for the Interim Period.

Revenue from Customer D, E, F and G were less than 10% of the total revenue for the six months ended 30 June 2024.

5. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Bank interest income	23	–
Exchange gains, net	–	7
Gain on waiver of loan from the Creditor (<i>note 13</i>)	48,300	–
Gain on settlement of the loan from the Creditor by issuance of the Bonds (<i>note 13</i>)	16,365	–
Others	124	10
	<u>64,812</u>	<u>17</u>

6. PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Staff costs:		
Directors' emoluments	540	75
Salaries and other benefits for other staff	1,408	1,445
Retirement benefits scheme contributions for other staff	270	320
Total staff costs	<u>2,218</u>	<u>1,840</u>
Other items:		
Cost of inventories	41,524	33,648
Legal and professional fees	2,540	3,185
Depreciation of property, plant and equipment (included in "General administrative and other operating expenses")	13	–
Depreciation of right-of-use assets (included in "General administrative and other operating expenses")	678	319
Rental expenses recognised under short-term lease (included in "General administrative and other operating expenses")	10	–

7. INCOME TAX (CREDIT) EXPENSE

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax		
PRC Enterprise Income Tax (credit) expense	<u>(570)</u>	<u>3,644</u>

Entities incorporated in Hong Kong are subject to Hong Kong Profits Tax. On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (“**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate for the PRC subsidiaries is 25% for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Exposures arising from income tax liabilities

Oregon Scientific Brasil Ltda (“OS Brazil”)

An indirect wholly-owned subsidiary of the Company, OS Brazil, 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 44,287,000 (equivalent to approximately HK\$63,355,000) (Year ended 31 December 2024: approximately Brazilian Real 44,287,000 (equivalent to approximately HK\$55,455,000)). After considering the latest independent legal advice, the current situation and the possible reorganisation plan of the Group, the directors of the Company believed that any possible tax payment and the related penalties will not be pursued against its immediate holding company and/or the ultimate holding company of OS Brazil. Therefore, no provision for tax liabilities was recognised.

8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company for the purposes of basic earnings per share (<i>HK\$'000</i>)	<u>62,613</u>	<u>5,619</u>
	2025	2024
	(Unaudited)	(Unaudited)
		(Restated)
Number of ordinary shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share (<i>note</i>)	<u>280,349,162</u>	<u>43,333,218</u>

Note:

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share was on the basis as if the Capital Reorganisation (as defined and disclosed in note 15) had been effective on 1 January 2024.

Diluted earnings per share is the same as basic earnings per share as there was no potential ordinary share in issue for both periods.

9. PROPERTY, PLANT AND EQUIPMENT AND DEPOSIT FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

During the Interim Period, the Group acquired property, plant and equipment of approximately HK\$510,000 (six months ended 30 June 2024: Nil). During the Interim Period, no property, plant and equipment were disposed (six months ended 30 June 2024: Nil).

In addition, deposits of approximately HK\$16,122,000 were paid to suppliers for the acquisition of machinery and equipment. The delivery and installation of the machinery and equipment are expected to be completed in the second half of 2025.

10. RIGHT-OF-USE ASSETS

During the Interim Period, the Group has no additions to right-of-use assets (six months ended 30 June 2024: approximately HK\$1,920,000).

The Group leases various office premises for its daily operations with an initial lease term of two years.

During the Interim Period, the total cash outflow for leases was approximately HK\$714,000 (six months ended 30 June 2024: approximately HK\$332,000).

At 30 June 2025, the weighted average effective interest rate for the lease liabilities of the Group was 3.7% (at 31 December 2024: 3.7%) per annum.

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Trade receivables	33,786	99,360
Less: Loss allowance for expected credit losses ("ECL")	<u>(28,997)</u>	<u>(28,997)</u>
	4,789	70,363
Other receivables		
Advances to suppliers	38,535	4,939
Other receivables	<u>23,504</u>	<u>1,458</u>
	62,039	6,397
Total trade and other receivables	<u>66,828</u>	<u>76,760</u>

The following is the ageing analysis of trade receivables (net of allowances for ECL) presented based on the invoice date which approximately the respective revenue recognition date at the end of the reporting period:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
0 to 30 days	1,261	18,504
31 to 60 days	695	2,961
61 to 90 days	759	13,748
Over 90 days	<u>2,074</u>	<u>35,150</u>
Total trade receivables	<u>4,789</u>	<u>70,363</u>

The Group grants credit periods up to 90 days to its customers upon the issuance of invoices. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Before accepting any new customers, the management of the Group will base on the credit quality of the potential customers to define credit limits. Credit limits to customers are reviewed annually. In determining the recoverability of the trade receivables, the Group considers any subsequent change in the credit quality of the trade receivables from the date when the credit was initially granted.

12. TRADE AND OTHER PAYABLES

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

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
0 to 30 days	8,340	19,281
31 to 60 days	8,526	1,255
61 to 90 days	3,533	–
Over 90 days	<u>18,257</u>	<u>18,669</u>
Trade payables	38,656	39,205
Other payables	<u>37,726</u>	<u>53,347</u>
Total trade and other payables	<u><u>76,382</u></u>	<u><u>92,552</u></u>

The trade payables are interest-free with normal credit terms up to 90 days.

13. LOAN FROM THE CREDITOR

At 31 December 2024, the balance represents loan advanced from the Creditor (as defined in the 2024 Annual Financial Statements) which was unsecured, interest-free and repayable on demand.

On 13 March 2025, the Company entered a deed of settlement with the Creditor (the “**Deed**”), facilitated by Leaping Success Investments Limited as the bond agent. The agreement acknowledges a total debt of HK\$196,600,000 which the Company has agreed to settle through a combination of cash payment and the issuance of bonds. The Company paid a cash payment of HK\$100,000,000 and issued the Bonds (as defined in note 14) as a full and final settlement of the total indebtedness owing to the Creditor.

As a result of the aforesaid settlement arrangement, a gain on waiver of loan from the Creditor of HK\$48,300,000 recognised in profit or loss for the Interim Period.

14. UNLISTED SECURED BONDS

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
At the beginning of the reporting period	–	–
Issued during the period	31,935	–
Interest expenses	697	–
	<u>32,632</u>	<u>–</u>

On 13 March 2025, the Company issued a 10-year coupon unlisted secured bonds with the aggregate principal amount of HK\$48,300,000 (the “**Bonds**”). The Bonds shall bear interest at a rate of 0% per annum for the initial 3 years, 3% per annum for the following 3 years and 5% per annum for the remaining 4 years. No repayment in cash or kind will be made for the first 3 years from the date of issuance. Coupon payments will be made annually on the 4th to the 10th anniversary of the issue date of the Bonds in accordance with the coupon rates. On maturity, the Company shall repay 100% of the principal amount of the Bonds then outstanding, together with accrued and unpaid interest thereon. The Bonds were measured at amortised cost, with a carrying value of approximately HK\$31,935,000. A gain of approximately HK\$16,365,000 arising from the settlement of the loan from the Creditor through the issuance of the Bonds was recognised in profit or loss for the period ended 30 June 2025.

In addition to the Bonds issuance, the Company has provided collateral to secure the Bonds obligations. This includes (i) a share charge over the entire issued share capital in Oregon Energy Technology Limited (“**OET**”), a subsidiary of the Company; and (ii) a corporate guarantee by the Company.

15. SHARE CAPITAL

	Notes	Number of shares	Amount HK\$'000
Authorised:			
At 1 January 2024 (Audited), 31 December 2024 (Audited) and 1 January 2025 (Audited), ordinary shares of HK\$0.10 each		20,000,000,000	2,000,000
Share consolidation	(a)(i)	(19,666,666,667)	–
Increase in authorised share capital	(a)(ii)	16,666,667	100,000
Share sub-division	(a)(iv)	<u>3,150,000,000</u>	<u>–</u>
At 30 June 2025 (Unaudited), ordinary shares of HK\$0.60 each		<u>3,500,000,000</u>	<u>2,100,000</u>
Ordinary shares of US\$0.10 each			
At 1 January 2024 (Audited), 31 December 2024 (Audited) and 30 June 2025 (Unaudited)		<u>10,000</u>	<u>8</u>
Issued and fully paid:			
At 1 January 2024 (Audited), 31 December 2024 (Audited) and 1 January 2025 (Audited), ordinary shares of HK\$0.10 each		2,599,993,088	259,999
Share consolidation	(a)(i)	(2,556,659,870)	–
Capital reduction	(a)(iii)	–	(233,999)
Placing of new shares	(b)	<u>389,998,963</u>	<u>233,999</u>
At 30 June 2025 (Unaudited), ordinary shares of HK\$0.60 each		<u>433,332,181</u>	<u>259,999</u>

Notes:

- (a) The Company proposes executed the capital reorganisation (the “**Capital Reorganisation**”) which became effective on 20 February 2025 and included the following elements:
- (i) every 60 issued and unissued existing shares were consolidated into 1 consolidated share;
 - (ii) the increase in authorised share capital of the Company from HK\$2,000,000,000 and US\$1,000 divided into 333,333,333.3 consolidated share of HK\$6 each and 10,000 ordinary shares of par value of US\$0.1 each to HK\$2,100,000,000 and US\$1,000 divided into 350,000,000 consolidated shares of HK\$6 each and 10,000 ordinary shares of par value of US\$0.1 each by the creation of an additional 16,666,666.6 unissued consolidated shares;

- (iii) the issued share capital of the Company was reduced by cancelling paid up capital of the Company to the extent of HK\$5.4 on each of the then consolidated shares such that the par value of each issued consolidated share was reduced from HK\$6.0 to HK\$0.6 (the “**Capital Reduction**”). The credit arising from the Capital Reduction of approximately HK\$233,999,378 was credited to the contributed surplus account to be applied by the directors of the Company in any manner as permitted under applicable laws and the bye-laws of the Company;
 - (iv) each of the authorised but unissued consolidated share of par value of HK\$6.00 be sub-divided into 10 new ordinary shares of par value of HK\$0.6 each (the “**New Shares**”);
 - (v) the entire amount of HK\$165,043,000 standing to the credit of the share premium account was cancelled to nil with the credit arising therefrom to be transferred to the contributed surplus account to be applied by the directors of the Company in any manner as permitted under applicable laws and the bye-laws of the Company; and
 - (vi) immediately after the Capital Reorganisation becoming effective, the issued share capital of the Company is HK\$25,999,930.80 divided into 43,333,218 New Shares.
- (b) The Company entered into a subscription agreement with Tiger Energy Technology Company Limited (the “**Subscriber**”) on 15 October 2024 (as supplemented and amended by a supplemental agreement dated 16 January 2025). The Subscriber agreed to subscribe for 389,998,963 New Shares at a subscription price of HK\$0.60 per share, totalling HK\$233,999,377.80 (the “**Subscription**”). The Subscriber is a company incorporated in Hong Kong with limited liability and is an investment holding company. The Subscriber is directly legally and beneficially owned as to 50% by Mr. Tiger Charles Chen, a non-executive Director, and 50% by Mr. Wong Tung Yuen.

The Company successfully completed the Subscription on 13 March 2025. All conditions precedent to the Subscription were fulfilled, resulting in the issuance of 312,432,503 New Shares to the Subscriber, representing approximately 72.1% of the enlarged issued share capital of the Company. An additional 77,566,460 New Shares were issued to independent placees (the “**Other Placing**”), representing approximately 17.9% of the total share capital of the Company, upon completion of the placing by the Subscriber on 13 March 2025. The gross proceeds from the Subscription (including the Other Placing) amounted to approximately HK\$234.0 million, with net proceeds after deducting related expenses of around HK\$233.1 million. The shareholding structure changed significantly post-completion, with the Subscriber becoming a controlling shareholder of the Company. Immediately after the completion of the Subscription (including the Other Placing), the Company has a total of 433,332,181 New Shares issued.

16. CONTINGENT LIABILITIES/LITIGATIONS

		At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
	Note		
At the beginning of the reporting period		—	2,874
Released upon de-consolidation of a subsidiary	(b)	—	(2,874)
At the end of the reporting period		—	—

- (a) In 2020, the Group received a notice from the PRC District Court stating that a supplier of the Group in the PRC has initiated legal action against certain subsidiaries of the Group in the PRC by claiming the allegedly due and unpaid balance of subcontracting fees from the Group. In respect of the aforesaid due and unpaid balance of subcontracting fees, approximately HK\$5,454,000 had been recognised in “Trade payables”.

According to final judgements dated 8 August 2022 issued by the PRC District Court, the Group was liable to make payment of approximately RMB4,914,000 and approximately RMB111,000 (equivalent to approximately HK\$5,543,000 and approximately HK\$125,000) as settlement of subcontracting fees and material costs, respectively.

The remaining subcontracting fees of approximately HK\$2,591,000 were still outstanding up to the date of approval of the Interim Financial Statements.

- (b) During the year ended 31 December 2021, the Group received several notices from the PRC District Court stating that a group of ten individuals former employees and three individuals former employees of the Group in the PRC has initiated legal action against subsidiaries of the Group in the PRC by claiming compensation of the dismissal of labour contract in view of breach of terms in employment agreement by the Group. Pursuant to the judgements made by the court of the PRC, the Group was ordered to make payment amounting to approximately HK\$2,874,000 which had been recognised in “Provision for losses on litigations, net” in “Other losses, net” in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021. The Group has filed for appeals for such judgements to the PRC District Court. According to the final judgement dated 7 December 2021, the PRC District Court dismissed the appeals and affirmed the original judgement.

During the year ended 31 December 2024, the aforesaid provision with carrying amount of approximately HK\$2,874,000 was derecognised following the de-consolidation of a subsidiary as set out in note 30 to the 2024 Annual Financial Statements.

Other than the disclosure of above and elsewhere in the Interim Financial Statements at 30 June 2025 and the 2024 Annual Financial Statements, the Group was not involved in any other material litigation or arbitration. As far as the management of the Group was aware, the Group had no other material litigation or claim which was pending or threatened against the Group. At 30 June 2025 and 31 December 2024, the Group was the defendant of certain non-material litigations, and also a party to certain litigations arising from the ordinary course of business of the Group. The likely outcome of these contingent liabilities, litigations or other legal proceedings cannot be ascertained with reasonable certainty at present, but the management of the Group believes that any possible legal liability which may be incurred from the aforesaid cases will not have any material impact on the financial position or results of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Since the re-commencement of the Group's operations in December 2023, the Group has resumed sales of electronic products under the "Oregon Scientific" trademark. Additionally, it launched its own online retail platform and established two online stores on foreign platforms. The Group is continuously expanding its product portfolio to meet new customer demands and enhance its market competitiveness.

In order to enhance market awareness of the "Oregon Scientific" brand, promote and to advertise and showcase its products, the Group established its own online retail platform (<http://oregonscientific.store>) where the Company can receive product orders directly from retail customers, and set up new online stores on Noon (<https://www.noon.com>) (an online platform headquartered in Dubai) and Mercado Libre (<https://www.mercadolibre.com>) (the largest online platform in Latin America) respectively. The aforementioned online stores have operated progressively in the first half of 2025 ("1H2025"). Additionally, the Group is continuously expanding its product portfolio to meet new customer demands and enhance the Group's market competitiveness. With the society and economy returning to normalcy, it is anticipated that the market situation should progressively improve thereafter. Through the Group's efforts in 1H2025, the Group's business has gradually recovered and continues to receive new orders from customers. The Group's business should remain sustainable in the long run.

FINANCIAL RESULTS

The Group's total revenue for 1H2025 was approximately HK\$47.4 million (1H2024: approximately HK\$51.1 million). Gross profit of 1H2025 was approximately HK\$5.9 million (1H2024: approximately HK\$17.4 million).

The decrease in revenue was due to the rising of raw material costs, and the decrease in gross profit was due to the China-US trade war which had impacted the Group's import and export businesses.

Total operating expenses of the Group, including research expenses, distribution and selling expenses and general administrative expenses, amounted to approximately HK\$7.9 million for 1H2025 (1H2024: approximately HK\$6.4 million). The increase in operating expenses was due to increase in labour costs as a result of increase in wages for production workers.

Net profit for 1H2025 was approximately HK\$62.6 million (1H2024: net profit of approximately HK\$5.6 million), which was primarily due to the Group recorded other income and gains of approximately HK\$64.8 million as a result of (1) a gain of approximately HK\$48.3 million arising from waiver of loan from the Creditor; and (2) a gain of approximately HK\$16.4 million arising from settlement of the loan from the Creditor by issuance of bonds.

PROSPECTS

The Group resumed trading of shares in November 2024. In March 2025, the Group completed the Subscription with net proceeds of approximately HK\$233.1 million and has entered into a settlement deed with the Creditor with respect to a debt of HK\$196.6 million. In light of the above and the resumption of business operation, the Group expects to regain momentum in business growth. In 1H2025, the Company continued market sales in the export market and mainland China market by resuming sales of consumer appliances, under the brand of “Oregon Scientific”.

Looking forward, the Company will take advantage of the growing market demand in industries such as AI, robotics, new energy vehicles, and energy storage. The Group will focus on providing high-quality power supply products to customers in these industries as well as focus on high-end battery research and development and capacity building to support the Company’s sustainable development. The Group will also continue to invest to become a high-quality battery solution provider with core technological competitiveness.

WORKING CAPITAL

The inventory balance as at 30 June 2025 was approximately HK\$26,000 (as at 31 December 2024 (“FY2024”): approximately HK\$123,000) as the Group re-commenced its operation. Trade and other receivables balances as at 30 June 2025 was approximately HK\$66.8 million (FY2024: approximately HK\$76.8 million).

LIQUIDITY AND TREASURY MANAGEMENT

As at 30 June 2025, bank balances and cash of the Group amounted to approximately HK\$103.7 million (FY2024: approximately HK\$2.2 million). During 1H2025, the cash were mainly used in operating activities and investing activities.

The Group recorded net current assets of approximately HK\$86.1 million (FY2024: net current liabilities of approximately HK\$229.9 million), which is primarily due to the Group recorded other income and gains of approximately HK\$64.8 million as a result of (1) a gain of approximately HK\$48.3 million arising from waiver of loan from the Creditor; (2) a gain of approximately HK\$16.4 million arising from settlement of the loan from the Creditor by issuance of bonds; and (3) the allotment and issuance of 312,432,503 New Shares at issue price of HK\$0.6 per share to the Subscriber and 77,566,460 New Shares at issue price of HK\$0.6 per share to independent third party placees by the Company.

As at 30 June 2025, the total outstanding amount of borrowing was approximately HK\$1.3 million (FY2024: approximately HK\$1.2 million), all of which are repayable on demand. As at 30 June 2025, the loan from the Creditor was nil (FY2024: approximately HK\$196.6 million). On 13 March 2025, the Company entered a deed of settlement with a shareholder as creditor (the “**Deed**”). The Deed acknowledges a total debt of HK\$196.6 million which the Company has agreed to settle through a combination of cash payment and the issuance of bonds. The Company paid a cash payment of HK\$100.0 million from the Company and issued the Bonds as a full and final settlement of the total indebtedness owing to the shareholder as creditor.

On 13 March 2025, the Company issued a 10-year coupon unlisted secured bonds with the aggregate principal amount of HK\$48.3 million. Details are set out in note 14 to the condensed consolidated interim financial statements in this announcement.

CAPITAL STRUCTURE

As at 30 June 2025, there was 433,332,181 issued and fully paid shares with par value of HK\$0.6 each. The net assets value per share as at 30 June 2025 was approximately HK16.42 cents (FY2024: the net liabilities value per share was approximately HK52.76 cents).

The Group actively and regularly reviews and manages its capital structure to enhance its financial strength for the Group’s long-term development. There were no changes in the Group’s approach to capital management during the six months ended 30 June 2025.

GEARING RATIO

As at 30 June 2025, the Group’s total assets amounted to approximately HK\$188.4 million (FY2024: approximately HK\$80.9 million). Total liabilities amounted to approximately HK\$117.2 million (FY2024: approximately HK\$309.5 million), the Group expresses its gearing ratio as a percentage of the Bonds and borrowings, including loans from the Creditors, over total assets which was approximately 18.0% (FY2024: approximately 244.6%). The significant increase in the total assets resulted in the decrease in the gearing ratio.

CHARGES ON GROUP ASSETS

As disclosed in note 14 to the condensed consolidated interim financial statements in this announcement, the Company has provided collateral to secure the Bonds obligations which include: (i) a share charge over the entire issued share capital in Oregon Energy Technology Limited (“**OET**”), a subsidiary of the Company; and (ii) a corporate guarantee by the Company.

As at 30 June 2025, save as disclosed above, there were no charges on the Group’s assets.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the 1H2025, the Group did not make any significant investments, acquisitions or disposals that was required to be disclosed under the Listing Rules on the Stock Exchange.

CONTINGENT LIABILITIES

Details of the contingent liabilities are set out in note 16 to the condensed consolidated interim financial statements contained in this announcement.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no significant events after the reporting period.

CAPITAL EXPENDITURE

The capital expenditure on property, plant and equipment for 1H2025 was approximately HK\$16.6 million (including deposit paid for acquisition of property, plant and equipment) (1H2024: Nil).

There were no material acquisitions or disposals of associated companies in the course of 1H2025 (1H2024: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As set out in the circular dated 24 January 2025, the Company entered into a Subscription Agreement a Subscriber, under which the Company intends to use HK\$40 million, being part of proceeds from the Subscription, for acquisition of new machineries as the initial step towards building or acquiring self-owned factory premises. Apart from above, the Group did not have any future plans for material investments or capital assets.

DIVIDEND

The Directors do not recommend any dividend for 1H2025 (1H2024: Nil).

PURCHASE, SALE AND REDEMPTION OF COMPANY'S LISTED SECURITIES

On 20 February 2025, the Company completed (i) the Share Consolidation; (ii) cancellation of any fraction of a consolidated share in the issued share capital of the Company arising from the Share Consolidation; and (iii) reduction of the par value of each issued consolidated share from HK\$6.00 to HK\$0.60 through the cancellation of the paid up capital of the Company to the extent of HK\$5.40 on each of the issued consolidated shares.

On 13 March 2025, the Company completed the allotment and issue of 312,432,503 New Shares at issue price of HK\$0.6 per share to the Subscriber and 77,566,460 New Shares at issue price of HK\$0.6 per share to independent third party placees pursuant to the Placing to restore the minimum public float as required under the Listing Rules. The gross proceeds from the Subscription amounted to approximately HK\$234.0 million. After deducting related professional fees and all administrative expenses, the net proceeds amount to approximately HK\$233.1 million and has been/will be utilised in the manner as disclosed in the Company's circular dated 24 January 2025.

As at 30 June 2025, the Company has a total of 433,332,181 New Shares in issue.

The Company's board lot size for trading of the shares on the Main Board of the Stock Exchange has been changed from 2,000 shares to 18,000 New Shares with effect from 20 February 2025. Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during 1H2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own Code of Conduct for Securities Transactions by Directors (the “**Code of Conduct for Securities Transactions**”). This is on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules, and has been updated from time to time.

Having made specific enquiries to all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code and the Code of Conduct for Securities Transactions throughout the six months ended 30 June 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to achieving and maintaining a high standard of corporate governance to safeguard the interests of all shareholders and to enhance corporate value and accountability. Throughout the six months ended 30 June 2025 under review, the Company has applied the principles and complied with all code provisions and where applicable, the recommended best practices prescribed in the Corporate Governance Code (“**CG Code**”) in Appendix C1 to the Listing Rules on the Stock Exchange, save for the deviation from the Code Provision C.1.7.

Pursuant to code provision C.1.7 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against the Directors. During the six months ended 30 June 2025, no such insurance cover has been arranged for the Directors due to the insurance company refusing to provide service within the Company's budget. The management of the Group believe that all potential claims and legal actions against the Directors can be handled effectively, and the possibility of actual lawsuits against the Directors is remote. The Company will consider making insurance arrangement when a quote within the Company's budget is available. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

FOREIGN EXCHANGE RISKS

The functional currency of the Company is Hong Kong Dollar while certain of the Group's bank balances and cash, trade and other receivables, trade and other payables, borrowings, lease liabilities and loans from other creditors/a shareholder are denominated in RMB and US dollar which are exposed to foreign currency risk.

The Group currently has not entered into any contracts to hedge its foreign currency risk exposure. The Board monitors foreign exchange risk exposure by conducting sensitivity analyses on exchange rates across various currencies and will consider hedging significant foreign currency exposure should the need arise.

HUMAN RESOURCES

As at 30 June 2025, the Group had a total of 20 (1H2024: 26) staff, primarily in the PRC. The Group fully recognises the importance of its employees who contribute significantly to its success and continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular professional trainings.

The Group's remuneration policy is to provide compensation packages at market rates which rewards individual performance and to attract, retain and motivate high quality employees. The compensation packages offered by the Group are comparable with other entities of similar size and business nature and are reviewed annually. The components of the employee remuneration package comprise basic salary, double pay, fringe benefits including pension scheme, medical insurance, life and personal accident insurance, employee compensation and business travel insurance as well as incentives like discretionary cash bonus.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Mak Tin Sang, Ms. Chen Weijie, and Dr. Lowe Chun Yip.

The unaudited financial results of the Group for 1H2025 have been reviewed by the Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement will be posted on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (www.idt-hk.com). The interim report of the Company for the six months ended 30 June 2025 will be despatched to the shareholders of the Company and available on the same websites in due course.

By order of the Board
IDT International Limited
Tiger Charles Chen
Director

Hong Kong, 29 August 2025

As at the date of this announcement,

1. The executive director of the Company is Mr. Tiger Charles Chen;
2. The non-executive directors of the Company are Ms. Ng Kwok Ying Isabella and Ms. Cheung Yuk Ki;
3. The independent non-executive directors of the Company are Ms. Chen Weijie, Mr. Mak Tin Sang and Dr. Lowe Chun Yip.