

EMPLOYEES AND REMUNERATION POLICIES

As at September 30, 2004, the Group employed a total of approximately 8,500 employees (2003: approximately 8,500 employees). The Group continues to maintain and upgrade the capabilities of our workforce by providing them with adequate and regular training.

The Group fully recognise the importance of its employees who contribute significantly to its success. The Group's employee remuneration packages are in line with industry norms and are subject to annual review. Bonuses are awarded to employees based on individual and the Group's overall performance each year. Other staff benefits include medical insurance and a mandatory provident fund. In Xixian, Shenzhen, China, where the Group centres its production facilities and research and development resources, staff welfare rates are set with reference to the prevailing labour laws in China. Both the Company and listed Singapore subsidiary, IDT Holdings (Singapore) Limited, have an employee share option scheme which grants share options to eligible employees as a reward for their contributions and a way of aligning their interests with that of shareholders.

PROSPECTS

In light of uncertain economic conditions caused by rising interest rates and oil prices potentially affecting consumer confidence, customers have delayed confirmation of their orders for this season. However, the Group's order book is above last year's level. The market conditions for telecommunication and electronic learning products remain challenging with little prospect of short term recovery. It is expected that LCD Consumer Electronic Products division and Digital Media Products division will be the main drivers in the second half of this year.

The Group continues to see opportunities in further developing both its ODM/OEM and Oregon Scientific business and will continue to invest in key areas of product research and development and marketing and distribution to meet those long term opportunities.

DIVIDENDS

The Board has declared an interim dividend of 3.0 HK cents per share in cash for the year ending March 31, 2005 (interim dividend for the year ended March 31, 2004 was 2.0 HK cents per share in cash) to be paid on or about January 5, 2005 to shareholders whose names appear on the register of members of the Company at the close of business on December 17, 2004.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements of shareholders to the interim dividend, the register of members of the Company will be closed from December 16, 2004 to December 17, 2004, both days inclusive, during which period no share transfers will be effected. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Secretaries Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on December 15, 2004.

CONTINGENT LIABILITIES

At September 30, 2004, the Group had no contingent liabilities (2003: nil).