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IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2014

IDT INTERNATIONAL LIMITED is an investment holding company with subsidiaries engaged in investment holdings, the design, development, manufacture, marketing and distribution of lifestyle electronic products.

Financial Highlights, compared to the same period last year are as follows:

- Turnover decreased 16.8% to HK$603.1 million.
- Gross profit decreased 15.6% to HK$157.4 million.
- Total operating expenses decreased 20.2% to HK$167.1 million.
- Loss was HK$6.8 million (September 30, 2013: HK$8.8 million).
- Group net cash balances of HK$130.8 million (March 31, 2014: HK$139.8 million).

INTERIM RESULTS

The board of directors (the "Board") of IDT International Limited (the "Company") hereby announces the unaudited condensed results of the Company and its subsidiaries (the "Group") for the six months ended September 30, 2014 prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting".

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended September 30,	
		2014	2013
		(Unaudited)	(Unaudited)
	Notes	HK$'M	HK$'M
Turnover	3	603.1	724.5
Cost of goods sold		(445.7)	(538.0)
Gross profit		157.4	186.5
Other income		6.9	4.2
Other gains and losses		(1.8)	13.8
Research and development costs		(26.5)	(31.3)
Distribution and selling expenses		(92.3)	(127.0)
General administrative expenses		(48.3)	(51.0)
Interest on bank and other borrowings wholly repayable within five years		(1.1)	(2.8)
Loss before taxation	4	(5.7)	(7.6)
Taxation	5	(1.1)	(1.2)
Loss for the period		(6.8)	(8.8)

	Notes		
Other comprehensive expenses:			
Exchange differences arising on translation of foreign operations		(6.0)	(0.6)
Total comprehensive expenses for the period		(12.8)	(9.4)
Loss for the period attributable to:			
Owners of the Company		(6.8)	(8.8)
Non-controlling interests		-	-
		(6.8)	(8.8)
Total comprehensive expenses attributable to:			
Owners of the Company		(12.8)	(9.4)
Non-controlling interests		-	-
		(12.8)	(9.4)
Loss per share			
- Basic and diluted	6	(0.27 HK cents)	(0.35 HK cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At September 30, 2014 (Unaudited) HK$'M	At March 31, 2014 (Audited) HK$'M
Non-current assets			
Property, plant and equipment		41.1	48.3
Intangible assets		11.2	16.7
Goodwill		33.8	33.8
Available-for-sale investments		0.9	0.9
Deferred tax assets		8.3	8.3
Deposit paid for acquisition of property, plant and equipment		0.1	0.1
		95.4	108.1
Current assets			
Inventories		296.6	275.8
Trade and other receivables	7	294.2	205.8
Tax recoverable		2.2	1.8
Bank balances and cash		210.2	236.7
		803.2	720.1
Current liabilities			
Trade and other payables and accruals	8	351.1	250.9
Forward contract liabilities		-	0.1
Taxation payable		-	0.1
Obligations under finance leases due within one year		-	0.1
Bank loans		79.4	96.9
		430.5	348.1
Net current assets		372.7	372.0
Total assets less current liabilities		468.1	480.1
Non-current liabilities			
Deferred tax liabilities		0.3	0.3
Net assets		467.8	479.8
Capital and reserves			
Share capital	9	250.8	250.5
Reserves		216.9	229.2
Equity attributable to owners of the Company		467.7	479.7
Non-controlling interests		0.1	0.1
Total equity		467.8	479.8

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Share capital (Unaudited) HK$'M	Share premium (Unaudited) HK$'M	Other reserve (Unaudited) HK$'M	Properties revaluation reserve (Unaudited) HK$'M	Share options reserve (Unaudited) HK$'M	Translation reserve (Unaudited) HK$'M	Revenue reserve (Unaudited) HK$'M	Total (Unaudited) HK$'M	Non-controlling interests (Unaudited) HK$'M	Total equity (Unaudited) HK$'M
At April 1, 2014	250.5	151.7	32.5	6.2	7.0	(81.3)	113.1	479.7	0.1	479.8
Exchange differences arising from translation of foreign operations	-	-	-	-	-	(6.0)	-	(6.0)	-	(6.0)
Loss for the period	-	-	-	-	-	-	(6.8)	(6.8)	-	(6.8)
Total comprehensive expenses for the period	-	-	-	- .	-	(6.0)	(6.8)	(12.8)	-	(12.8)
Share issued upon exercise of share options	0.3	0.3	-	-	(0.2)	-	-	0.4	-	0.4
Recognition of equity-settled share based payments	-	-	-	-	0.4	-	-	0.4	-	0.4
Lapse of share options	-	-	-	-	(0.3)	-	0.3	-	-	-
At September 30, 2014	250.8	152.0	32.5	6.2	6.9	(87.3)	106.6	467.7	0.1	467.8
At April 1, 2013	250.2	151.6	32.5	14.6	6.0	(83.1)	171.3	543.1	0.1	543.2
Exchange differences arising from translation of foreign operations	-	-	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Loss for the period	-	-	-	-	-	-	(8.8)	(8.8)	-	(8.8)
Total comprehensive expenses for the period	-	-	-	- .	-	(0.6)	(8.8)	(9.4)	-	(9.4)
Recognition of equity-settled share based payments	-	-	-	-	1.1	-	-	1.1	-	1.1
At September 30, 2013	250.2	151.6	32.5	14.6	7.1	(83.7)	162.5	534.8	0.1	534.9

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended September 30, 2014 (Unaudited) HK$'M	2013 (Unaudited) HK$'M
Net cash (used in)/ generated from operating activities	(3.2)	64.8
Net cash (used in)/ generated from investing activities	(4.1)	1.8
Net cash used in financing activities	(18.3)	(102.0)
Net decrease in cash and cash equivalents	(25.6)	(35.4)
Cash and cash equivalents at April 1	236.7	311.2
Effect of foreign exchange rate changes	(0.9)	0.2
Cash and cash equivalents at September 30	210.2	276.0
Analysis of the cash and cash equivalents:		
Cash and bank balances	210.2	276.0

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information for the six months ended September 30, 2014 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountant ("HKICPA").

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amount or fair value, as appropriate. The accounting policies and method of computation used in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended March 31, 2014, except as mentioned below.

In the current period, the Group has applied, for the first time, the following amendments to standards and interpretations issued by the HKICPA, which are effective for the Group's financial year beginning April 1, 2014.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)*-Int 21	Levies

* HK(IFRIC) represents the Hong Kong (International Financial Reporting Interpretations Committee).

The adoption of the above new and revised standards, amendments and interpretations did not result in a significant impact on the result and financial position of the Group.

The Group has not early adopted any new and revised standards, amendments and interpretations that have been issued but are not effective.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing this condensed consolidated interim financial information are evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities include the useful lives of property, plant and equipment, recoverability of intangible asset, impairment of goodwill, allowances for trade receivable and inventories and the determination of income taxes.

3. SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes.

The following is an analysis of the Group's revenue and results by operating segments:

	Sports Fitness & Health	Smart Learning Products	Time & Weather	Telecom-Communication	Wellness & Beauty	Others	Total
	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M
Six months ended September 30, 2014							
Segment revenue							
Branded sales	**21.5**	**42.0**	**88.7**	**-**	**19.1**	**4.5**	**175.8**
OEM/ODM sales	**318.0**	**-**	**20.5**	**66.6**	**-**	**22.2**	**427.3**
Total segment revenue	**339.5**	**42.0**	**109.2**	**66.6**	**19.1**	**26.7**	**603.1**
Segment profit/(loss)	**9.2**	**(21.8)**	**1.0**	**1.0**	**-**	**-**	**(10.6)**
Unallocated income							**6.9**
Unallocated expenses							**(0.9)**
Finance costs							**(1.1)**
Loss before taxation							**(5.7)**
Six months ended September 30, 2013							
Segment revenue							
Branded sales	24.3	141.6	88.2	-	23.4	3.6	281.1
OEM/ODM sales	311.1	-	43.3	42.4	0.6	46.0	443.4
Total segment revenue	335.4	141.6	131.5	42.4	24.0	49.6	724.5
Segment profit/(loss)	1.7	(29.5)	0.9	2.1	3.0	0.2	(21.6)
Unallocated income							18.2
Unallocated expenses							(1.4)
Finance costs							(2.8)
Loss before taxation							(7.6)

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

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of interest income, unallocated expenses such as central administrative cost and finance costs. This is the measure reported to the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment.

4. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging/(crediting) the following:

	Six months ended September 30, **2014** **HK$'M**	2013 HK$'M
Depreciation of property, plant and equipment	**11.1**	15.6
Amortisation of intangible assets	**5.8**	13.2
Net exchange losses	**1.1**	0.2
Interest income	**(0.3)**	(0.5)

5. TAXATION

The charge comprises:

	Six months ended September 30, **2014** **HK$'M**	2013 HK$'M
Taxation of the Company and its subsidiaries:		
Hong Kong Profits Tax	**(1.0)**	(3.4)
Taxation in other jurisdictions	**(0.1)**	(0.1)
Deferred tax credit	**-**	2.3
	(1.1)	(1.2)

Hong Kong profits tax has been provided at the statutory tax rate of 16.5% (2013: 16.5%) on the estimated assessable profits for the period less available tax losses. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. LOSS PER SHARE

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

	Six months ended September 30, **2014** **HK$'M**	2013 HK$'M
Loss for the period attributable to owners of the Company for the purposes of calculating basic and diluted loss per share	**(6.8)**	(8.8)

	2014	2013
Number of ordinary shares for the purposes of calculating basic and diluted loss per share	**2,507,521,088**	2,502,271,088

The computation of diluted loss per share for the six months ended September 30, 2014 and 2013 does not assume the exercise of the Company's outstanding share options, as the exercise price of those options is higher than the average market price for shares for both of the six months ended September 30, 2014 and 2013.

7. TRADE AND OTHER RECEIVABLES

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

	At September 30 2014 HK$'M	At March 31 2014 HK$'M
0 to 30 days	**126.0**	81.8
31 to 90 days	**63.5**	41.2
Over 90 days	**6.0**	10.5
Trade receivables	**195.5**	133.5
Other receivables	**98.7**	72.3
Total trade and other receivables	**294.2**	205.8

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

8. TRADE AND OTHER PAYABLES AND ACCRUALS

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

	At September 30 2014 HK$'M	At March 31 2014 HK$'M
0 to 30 days	**71.8**	67.4
31 to 90 days	**83.3**	30.7
Over 90 days	**9.1**	4.0
Trade payables	**164.2**	102.1
Other payables and accruals	**186.9**	148.8
Total trade and other payables and accruals	**351.1**	250.9

9. SHARE CAPITAL

	Number of shares	Amount HK$'M
Authorised:		
At April 1, 2013, March 31, 2014 and September 30, 2014		
–ordinary shares of HK$0.10 each	3,500,000,000	350.0
–ordinary shares of US$0.10 each	10,000	-
Issued and fully paid:		
At April 1, 2013 and March 31, 2014		
–ordinary shares of HK$0.10 each	2,504,521,088	250.5
Issue upon exercise of share options	3,000,000	0.3
At September 30, 2014	2,507,521,088	250.8

10. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, on October 30, 2014, an indirect wholly owned subsidiary of the Company (the " subsidiary") entered into a provisional sale and purchase agreement with an independent third party (the "purchaser") to dispose three of its properties situated at Hunghom, Kowloon (the "disposal") to the purchaser at a total consideration of HK$43,561,840 and the estimated gain on disposal will be approximately HK$36.0 million.

FINANCIAL REVIEW

For the six months ended September 30, 2014, the Group's total turnover was HK$603.1 million, a decrease of 16.8% as compared to HK$724.5 million for the same period last year. The revenues from the Value Manufacturing Services Division (“VMS”) - a combination of the ODM/OEM business decreased by 3.6% to HK$427.3 million. The revenues from Oregon Scientific (“OS”)-branded products decreased by 37.5% to HK$175.8 million.

Gross profit was HK$157.4 million, a drop of 15.6% as compared to HK$186.5 million for the same period last year. However, our gross profit margin increased to 26.1% from 25.7% of last year mainly due to the changes in product mix and discontinuation of the production of low-margin MEEP! products.

With the implementation of stringent cost control and streamlining measures, the total operating expenses of the Group declined by HK$42.2 million from HK$209.3 million to HK$167.1 million, a reduction of 20.2% against the same period last year. These expenses included research and development costs, distribution and selling expenses, and the general administrative expenses. Total operating expenses against turnover was 27.7%, while it was 28.9% for the same period last year.

Others gains and losses during the review period were recorded at a loss of HK$1.8 million compared to a gain of HK$13.8 million for the same period last year. The gains in the same period last year comprised mainly the gain on disposal of investment amounting to HK$14.0 million.

Tax expense was HK$1.1 million, a decrease of 8.3% compared to HK$1.2 million for the same period last year.

Loss for the six months ended September 30, 2014 was HK$6.8 million, an improvement of 22.7% compared to a loss of HK$8.8 million for the same period last year.

BUSINESS REVIEW

Oregon Scientific (“OS”)

For the six months ended September 30, 2014, sales revenue from OS totaled HK$175.8 million, a reduction of 37.5% when compared with HK$281.1 million for the same period last year – thus accounting for 29.1% of the Group's total sales revenues. The decline was mainly attributable to the change of our business strategy, having elected to discontinue production of low-margin MEEP! products under the Smart Learning Products category (“SLP”).

The Time and Weather ("T&W") category accounted for 50.5% of total OS sales revenue. The “Weather@Home” Collection, equipped with Bluetooth Smart connectivity, which offers users with the convenience of checking the weather via their smart devices; and “PRYSMA”, a series of colorful stylish designer projection clocks, have been well received by customers since their initial launch.

SLP accounted for 23.9% of total OS sales. SmartGlobes were still the key revenue and margin contributors. A new “Smart Globe Discovery” product, which combines the characteristics of the original SmartGlobes with enhanced features and enriched content, has been introduced to tap into the younger age group market.

The Sport, Fitness and Health (“SFH”) product category accounted for 12.2% of total OS sales revenue. OS launched the second generation of Bluetooth-enabled “Ssmart Dynamo 2 and Dynamo 2+” Activity Tracker with additional features such as activity recognition, incoming call and message notifications, and ECG heart rate monitor to further enhance users’ benefits and experiences.

Other product categories, including Wellness and Beauty (“W&B”) accounted for 13.4% - the remainder – of total OS sales revenue.

Compared with the same period last year, SLP recorded a significant sales decrease of 70.3% as a result of our strategic decision to discontinue our MEEP! products in view of strong market competition for kid’s tablets in the American and European markets.

OS sales to Europe, the Americas and Asia Pacific accounted for 55.4%, 23.7% and 20.9% of total OS sales respectively. Excluding the SLP category, sales to Europe and the Americas for the other categories increased by 14.9% and 12.7% respectively due to strong demand for OS branded products as well as successful penetration into new channels.

To further strengthen its brand presence in the global markets, OS exhibited products at IFA in Berlin in September, which is one of world's leading trade shows for consumer electronics and home appliances, as well as the Hong Kong Electronics Fair in October. Both trade fairs attracted potential visitors, media and new customers.

Value Manufacturing Services (“VMS”)

For the six months ended September 30, 2014, sales revenue contributed by VMS totaled HK$427.3 million, representing 70.9% of the Group’s total sales revenue, a modest decline of 3.6% as compared to HK$443.4 million for the same period last year. However, the profit margin improved as more emphasis has been placed on promoting high priced and high margin products.

With respect to business volume by product category, SFH accounted for 74.4%, T&W and Telecommunication products for 20.4%; while the other product categories accounted for 5.2% of total VMS sales. During the period under review, SFH remained the major product category and contributed HK$318.0 million in sales revenue to the Group, representing an increase of 2.2% over the same period last year. Though we experienced a minor delay in the product development of some key projects, we expect sales from this product category to pick up in the second half of financial year 2014/15, given its strong technical competence and engineering support, as well as the strong market demand for SFH products.

The key products in the SFH category include the GPS watch, activity monitors, blood glucose meter, fitness computer consoles and heart rate monitor, with the majority of these products being apps-enabled and connectable to smart devices. It is the Group’s strategy to continue allocating more resources to develop innovative products with the latest technologies for this product category.

VMS sales to Europe, the Americas and Asia Pacific accounted for 37.8%, 34.6% and 27.6% of total VMS sales respectively. When compared to the same period last year, sales to Asia Pacific increased by 9.2%, which was mainly attributed to the acquisition of new customers along with business growth with existing customers.

OUTLOOK

The Group will continue to implement various initiatives and measures to improve its overall business performance and productivity. However, it is anticipated that the costs of components and materials as well as labour will continue to increase. The Group will focus on streamlining its factory operations and strengthening its outsourcing activities to improve the efficiency and cost effectiveness of its operations. The Group will also continue to employ stringent controls over inventory and operating costs, while maintaining development of innovative products and exploring new markets.

Oregon Scientific (“OS”)

OS’s innovative in-house design and product development teams are working tirelessly to achieve technological innovations and design excellence for its products, which are considered to be the two pillars for sustaining business growth.

Leveraging its past successes and core competencies, together with the latest technological developments in internet-connected devices and mobile apps, OS has plans to develop a range of smart home and health monitoring devices via a joint collaboration between its T&W and SFH product teams. This demonstrates the Group’s commitment to product innovation, design and technology, including a passion to create products that provide state-of-the-art solutions that make people live smarter and healthier.

In the W&B category, OS will expand the product range by introducing a new line of sleep aid devices, specifically, “DreamScience”, which is a brainwave-oriented sound device to be launched in spring 2015. OS will also continue to develop and further expand its collection of aroma diffusers and air purifiers, which offer total solutions for the wellbeing and lifestyle of people living in today’s hectic environment.

Geographically, OS will continue to develop business with new customers in existing territories and explore new markets, such as Eastern Europe, Central and South America, etc. so as to extend its distribution network and promote its brand. In addition, the fast growing South East Asian markets offer untapped opportunities for OS. Subsequent to entering Singapore, we have successfully penetrated the Indian market during the period under review; and efforts will be made to develop the markets in Thailand and the Philippines in the second half of financial year 2014/15.

Apart from our traditional domestic and distribution businesses, resources will also be allocated to our e-commerce division for growing the on-line retail business in the European markets and further developing the ASEAN markets. By enhancing the e-trading platform, strengthening its presence in social media and investing in the CRM system, we will be able to better manage customer services and capture business opportunities. Our ultimate goal is to achieve O-to-O integration in order to foster growth in a fast moving and competitive business environment.

Value Manufacturing Services ("VMS")

The SFH business category continues to be a significant sales contributor to VMS during the period under review. We anticipate that this trend will be sustainable through the support of our existing and potential new customers. In addition, VMS will continue to invest resources in SFH, energy monitoring and management device, and collaborate with external business partners to enhance new products with apps-related technology and design, supported by in-house technical and manufacturing capabilities.

The Group will continue to exercise stringent cost controls in respect of the VMS manufacturing operation. Also, a wide range of initiatives aimed at improving production efficiency, strengthening negotiation power during material procurement, enhancing inventory control and accounts receivable management, etc. will be implemented to improve productivity and cost effectiveness. At the same time, we will continue to invest in the research and development of new technologies and innovative products, as well as explore new business opportunities with potential customers for our core product categories. We shall continue to increase our product margins to improve the overall profitability of the VMS business.

WORKING CAPITAL

Inventory at September 30, 2014 was HK$296.6 million, increased by 7.5% compared to HK$275.8 million at March 31, 2014. The increase in stock level is largely due to seasonal factor. Inventory at September 30, 2014 decreased by 13.4% compared with HK$342.5 million at September 30, 2013. The Group is strived for different alternatives to improve and lower the inventory level for the second half of the financial year. Inventory turnover day for this period deteriorated to 121 days from 116 days recorded in the same period last year.

Trade debtor at September 30, 2014 was HK$195.5 million, increased by 46.4% compared to HK$133.5 million at March 31, 2014. When comparing with September 30, 2013, trade debtor decreased by 13.6% from HK$226.2 million. Trade debtor turnover day for this period deteriorated to 59 days from 57 days recorded in the same period last year.

LIQUIDITY AND TREASURY MANAGEMENT

At September 30, 2014, the cash and bank balances of the Group were HK$210.2 million (March 31, 2014: HK$236.7 million).

During the six months ended September 30, 2014, the Group generated its funds mainly from bank borrowings. The net cash position (cash and bank balances less total borrowings) at September 30, 2014 amounted to HK$130.8 million (March 31, 2014: HK$139.8 million). It also increased by HK$17.1 million compared with HK$113.7 million at September 30, 2013. The Group maintained sufficient financial resources to meet all working capital requirements and its commitments.

The Group's exposure to foreign currency stems mainly from the net cash flow and net working capital translation achieved in its overseas subsidiaries. Hedging of foreign currency exposures is done through a combination of natural hedges and forward forex contracts. At September 30, 2014, there were forward contracts in place to hedge against possible exchange movements of future net cash flows. Speculative currency transactions are strictly prohibited. Management of currency risk is the responsibility of the Group's headquarters in Hong Kong.

DEBTS AND GEARING RATIO

Total bank borrowings of the Group at September 30, 2014 amounted to HK$79.4 million (March 31, 2014: HK$96.9 million) which consisted of short term bank loan only. The bank borrowings are mainly denominated in HK dollars and on floating rates bases.

The debts incurred by the Group are mainly used for general corporate purposes, including capital or long term expenditures and working capital requirements.

Gearing ratio (total bank borrowings over total equity) at September 30, 2014 and March 31, 2014 were approximately 17.0% and 20.2% respectively.

CHARGES ON GROUP ASSETS

At September 30, 2014, there were no financial charges on the Group's assets.

CAPITAL EXPENDITURE

Capital expenditure on property, plant and equipment for the six months ended September 30, 2014 amounted to HK$4.2 million (2013: HK$12.1 million) which was primarily used for the business operation and development. Sources of funds were mainly financed by internal resources and borrowings.

There were no material acquisitions or disposals of associated companies in the course of the six months ended September 30, 2014.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended September 30, 2014 (September 30, 2013: Nil).

CONTINGENT LIABILITIES

At September 30, 2014, the Group had no contingent liabilities (March 31, 2014: Nil).

HUMAN RESOURCES AND REMUNERATION POLICY

As at September 30, 2014, the Group had approximate 2,562 employees. The Group fully recognises the importance of its employees who contribute significantly to its success and continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training.

The Group's remuneration policy is to provide compensation packages at market rates which reward individual's performance and attract, retain and motivate high quality employees. The compensation packages offered by the Group are comparable with other organisations of similar size and business nature and are reviewed annually. The components of employee's remuneration package consists of base 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 and the opportunities to participate in the Group's share option schemes.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended September 30, 2014.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance. Throughout the period ended September 30, 2014, the Company has applied the principles and complied with all Code Provisions of the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with the exception of Code Provision A.2.1 in respect of the separation of roles of the chairman and chief executive officer. The Group's compliance with the Code Provisions of the CG Code together with the considered reasons for any deviation are set out in the Corporate Governance Report contained in the Company's 2014 Annual Report issued in July 2014.

AUDIT COMMITTEE

The Audit Committee, comprising three Independent Non-Executive Directors, Mr. Lo Kai Yiu, Anthony (Chairman), Mr. Kao Ying Lun and Mr. Jack Schmuckli, has reviewed and discussed with the management of the Company the accounting principles and practices adopted by the Group, internal control and financial reporting matters including the review of the unaudited financial statements and the results of the Group for the six months ended September 30, 2014.

APPRECIATION

On behalf of the Board, I wish to express gratitude to the management team and staff members for their hard work, dedication and support to the Group throughout the review period.

On behalf of the Board
IDT International Limited
Dr. Raymond Chan
Chairman & Group Chief Executive Officer

Hong Kong, November 27, 2014

The Directors of the Company as at the date of this announcement are Dr. Raymond Chan (Chairman & Group Chief Executive Officer), Mrs. Chan Pau Shiu Yeng, Shirley and Mr. Leong Mun Hoong as Executive Directors; Mr. Lo Kai Yiu, Anthony, Mr. Kao Ying Lun, Mr. Jack Schmuckli and Dr. Kenichi Ohmae as Independent Non-Executive Directors.

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