

**IDT INTERNATIONAL LTD:
NOW, HERE'S A CONUNDRUM FOR YOU**

A wholly owned subsidiary of IDT International Ltd () (Code: 167, Main Board, The Stock Exchange of Hongkong Ltd) has just been sued in the High Court of The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) for about \$HK5.52 million.

The subsidiary is IDT Electronic Products Ltd () which finds itself, today, as Defendant in High Court Action, Number 1089.

Now, an amount of money, such as \$HK5.52 million, may appear to be not an insubstantial sum, but the parent company of IDT Electronic Products Ltd is, or at least, was, as at September 30, 2008, swimming in cash – about \$HK577 million, in fact.

However, according to De Chang Fulfilment Ltd (), the Plaintiff in Action Number 1089, it has been owed \$HK5,516,273.05 since last September in respect of the *'purchase price for toys sold and supplied by the Plaintiff to the Defendant during September and October 2008 ...'*

And 8 months, according to Management of this supplier of toys to IDT Electronic Products Ltd, is too long to wait.

De Chang Fulfilment Ltd alleges that it sent a letter to IDT Electronic Products Ltd, via its solicitors, demanding payment of the amount, allegedly owed, plus interest accrued.

But no money has been shaken out of the tree of the Defendant, it is alleged.

And so, today, the matter is in the hands of the HKSAR High Court for a determination unless an out-of-court settlement can be reached.

On or about December 9, 2008, the Interim Results of IDT International Ltd were published, showing, inter alia, that, for the 6 months, ended September 30, 2008, the company recorded a Net Profit Attributable to Shareholders of about \$HK16.50 million (2007: \$HK10.70 million) on a Turnover of about \$HK917.60 million (2007: \$HK1,055.70 million).

The Condensed Consolidated Balance Sheet showed that the company had bank balances and cash of about \$HK576.90 million (2007: \$HK436.90 million).

The Net Assets of IDT International Ltd, as at the half-way stage of the 2008-2009 Financial Year, stood at \$HK1,054.60 million (2007: \$HK1,049.80 million).

In effect, therefore, nothing would appear to have been wrong with this company, at least, not on paper.

The database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider) indicates that, in the past, at IDT International Ltd, things have not, always, been completely hunky-dory.

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