INTERNATIONAL ELITE LTD.

精英國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8313)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

This announcement, for which the directors ("Directors") of International Elite Ltd. (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

FINANCIAL SUMMARY FOR THE YEAR ENDED 31 DECEMBER 2007

The Group's turnover was approximately HK$213,870,000, representing an increase of approximately 43% as compared with approximately HK$149,864,000 in 2006.

Profit attributable to equity shareholders of the Company was approximately HK$59,747,000, representing an increase of approximately 63% as compared with approximately HK$36,668,000 in 2006.

Basic earnings per share was HK$0.08, representing an increase of approximately 33% as compared with HK$0.06 in 2006.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2007(2006: Nil).

AUDITED RESULTS

The board (the "Board") of directors (the "Directors") of International Elite Ltd. (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2007, together with the comparative figures for the corresponding period of last year, as follows:

CONSOLIDATED INCOME STATEMENT

For The Year Ended 31 December 2007
(Expressed in Hong Kong dollars)

	Note	**2007** **$'000**	2006 $'000
Turnover	2(a)	**213,870**	149,864
Cost of sales		**(116,123)**	(97,664)
Gross profit		**97,747**	52,200
Other revenue	2(b)	**3,091**	284
Administrative expenses		**(38,712)**	(22,106)
Profit from operations		**62,126**	30,378
Finance costs	5(a)	**(186)**	–
Profit before taxation	5	**61,940**	30,378
Income tax	4	**(2,193)**	6,290
Profit for the year attributable to equity shareholders of the Company	6	**59,747**	36,668
Earnings per share			
– Basic	8	**HK$0.08**	HK$0.06
– Diluted	8	**HK$0.08**	HK$0.06

CONSOLIDATED BALANCE SHEET

At 31 December 2007
(Expressed in Hong Kong dollars)

	Note	2007 $'000	2006 $'000
Non-current assets			
Property, plant and equipment		**25,013**	29,545
Deferred tax assets		**4,432**	6,290
Total non-current assets		**29,445**	35,835
Current assets			
Trade and other receivables	9	**61,663**	50,097
Cash at bank and in hand		**385,715**	34,064
Total current assets		**447,378**	84,161
Total assets		**476,823**	119,996
Current liabilities			
Trade and other payables	10	**20,686**	59,318
Current taxation		**335**	–
Total current liabilities		**21,021**	59,318
Net current assets		**426,357**	24,843
Total assets less current liabilities		**455,802**	60,678
Net assets		**455,802**	60,678
Equity			
Share capital	11	**9,462**	14
Reserves	12	**446,340**	60,664
Total equity		**455,802**	60,678

Notes:

1. BACKGROUND OF THE COMPANY AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 18 September 2000 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company has established a place of business in Hong Kong and was registered in Hong Kong under Part XI of the Companies Ordinance as an overseas company on 27 June 2007. On 16 October 2007, the Company listed its shares with a par value of HK$0.01 each on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Basis of preparation of the consolidated financial statements

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations promulgated by the International Accounting Standards Board (the "IASB"). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The IASB has issued a number of new and revised IFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company. The Group has not applied any new and revised standard or interpretation that is not yet effective for the current accounting period.

Up to the date of issue of these financial statements, the IASB has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2007 and which have not been adopted in these financial statements.

		Effective for accounting periods beginning on or after
IFRS 8	Operating Segments	1 January 2009
IAS 23 (Revised)	Borrowing costs	1 January 2009
IAS 1 (Revised)	Presentation of financial information	1 January 2009
IFRIC-12	Service concession arrangement	1 January 2008
IFRIC-13	Customer loyalty programme	1 July 2008
IFRIC-14	IAS19 – The limit on a defined benefit assets, minimum funding requirements and their interaction	1 January 2008
Amendment to IFRS 2	Share-based payment – Vesting conditions and cancellations	1 January 2009
Amendments to IAS 32 and IAS 1	Puttable financial instruments and obligations arising on liquidation	1 January 2009
Revised IFRS 3	Business combinations	Applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009
Amendments to IAS 27	Consolidated and separate financial statements	1 July 2009

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial applications. So far it has concluded that adoption of them is unlikely to have a significant impact on the Group's result of operations and financial positions. While, IFRS 8, Operating segments and IAS1 (Revised), Presentation of financial statements, which are effective for accounting period beginning on or after 1 January 2009, may result in new or amended disclosures in the financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2007 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except for certain financial instruments that have been initially measured at fair value.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. REVENUE AND OTHER REVENUE

Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Customer Relationship Management services

Customer Relationship Management services comprise inbound services which include customer hotline services and built-in-secretarial services, a personalised message taking services, and outbound services which include telesales services and market research services.

Revenue is recognised when the services have been provided and the Group has obtained the right to demand payment of the consideration. No revenue is recognised if there are significant uncertainties regarding the recovery of the consideration due or when the amount of revenue and the costs incurred or to be incurred in respect of the services cannot be measured reliably.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(a) Turnover

The principal activity of the Group is the provision of Customer Relationship Management services, which included inbound services and outbound services, to companies in various service-oriented industries.

The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2007	2006
	$'000	$'000
Inbound services	**111,822**	103,313
Outbound services	**102,048**	46,551
	213,870	149,864

(b) Other revenue

	2007	2006
	$'000	$'000
Interest income from bank deposits	**3,070**	257
Others	**21**	27
	3,091	284

3. SEGMENT INFORMATION

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group has two business segments: inbound services and outbound services.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include trade receivables and property, plant and equipment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, borrowings, tax balances, corporate and financing expenses.

Segment information is presented in respect of the Group's business segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Business segments

The business segment of the Group comprises:

(i) Inbound services; and

(ii) Outbound services.

Year ended 31 December 2007

	Inbound services $'000	Outbound services $'000	Total $'000
Revenue from external customers	111,822	102,048	213,870
Segment results	44,029	53,718	97,747
Unallocated income and expenses			(35,807)
Profit before taxation			61,940
Income tax			(2,193)
Profit for the year			59,747
Depreciation for the year	816	967	
Segment assets	34,450	29,299	63,749
Unallocated assets			413,074
Total assets			476,823
Segment liabilities	–	–	–
Unallocated liabilities			21,021
Segment capital expenditure incurred during the year	979	351	1,330
Unallocated capital expenditure incurred during the year			1,808
Total capital expenditure incurred during the year			3,138

Year ended 31 December 2006

	Inbound services $'000	Outbound services $'000	Total $'000
Revenue from external customers	103,313	46,551	149,864
Segment results	34,555	17,645	52,200
Unallocated income and expenses			(21,822)
Profit before taxation			30,378
Income tax			6,290
Profit for the year			36,668
Depreciation for the year	697	489	
Segment assets	23,318	14,515	37,833
Unallocated assets			82,163
Total assets			119,996
Segment liabilities	–	–	–
Unallocated liabilities			59,318
Segment capital expenditure incurred during the year	6,611	4,819	11,430
Unallocated capital expenditure incurred during the year			–
Total capital expenditure incurred during the year			11,430

Geographical segments

The Group primarily operates in the PRC, Hong Kong and Macau. Hong Kong is a major market for all of the Group's businesses.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

Year ended 31 December 2007

	PRC $'000	Hong Kong $'000	Macau $'000	Total $'000
Revenue from external customers	**29,816**	**177,836**	**6,218**	**213,870**
Segment assets	**15,287**	**47,213**	**1,249**	**63,749**
Capital expenditure incurred during the year	**2,898**	**231**	**9**	**3,138**

Year ended 31 December 2006

	PRC $'000	Hong Kong $'000	Macau $'000	Total $'000
Revenue from external customers	14,874	131,538	3,452	149,864
Segment assets	3,620	32,138	2,075	37,833
Capital expenditure incurred during the year	8,818	2,608	4	11,430

4. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2007 $'000	2006 $'000
Provision for Hong Kong profits tax	**(335)**	–
Deferred taxation	**(1,858)**	6,290
	(2,193)	6,290

(i) Hong Kong profits tax

The provision for Hong Kong profits tax for the year ended 31 December 2007 is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the year ended 31 December 2007.

No provision has been made for Hong Kong profits tax for the year ended 31 December 2006 as the Group had no assessable profits arising in or derived from Hong Kong during the year ended 31 December 2006.

On 27 February 2008, the Financial Secretary of the Hong Kong SAR Government announced his annual Budget which proposes a cut in the profits tax rate from 17.5% to 16.5% with effect from the fiscal year 2008–09 and a one-off reduction of 75% of the tax payable for the 2007–08 assessment subject to a ceiling of HK$25,000. In accordance with the Group's accounting policy, no adjustments have been made to these financial statements as a result of this announcement.

The Directors estimate that these proposed changes will have no material impact on the opening balances of the Group and the Company as at 1 January 2008.

(ii) Income taxes outside Hong Kong

The Company's subsidiaries established in the British Virgin Islands, namely Keithick Profits Limited and PacificNet Management Limited, are incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, are exempted from payment of the British Virgin Islands income tax.

The Company's subsidiaries established in Macau, namely International Elite Ltd. – Macao Commercial Offshore and PacificNet Communications Limited – Macao Commercial Offshore, are incorporated under the Commercial Code and regulations on offshore activities of Macau and, accordingly, are exempted from payment of the Macau income tax.

The applicable tax rate of the Company's subsidiary in the PRC, namely China Elite Info. Co. Limited ("China Elite"), was 33% in respect of the year ended 31 December 2007 (2006: 33%).

On 16 March 2007, the Fifth Session of the Tenth National People's Congress passed the united enterprise income tax law in the PRC. Pursuant to the united income tax law, the income tax rate that is applicable to the subsidiary of the Group in the PRC would be reduced from 33% to 25% effective from 1 January 2008. The Group's deferred tax assets have been reduced as a result of the change in tax rate and the financial effect of the which has been reflected in the Group's financial statements for the year ended 31 December 2007.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2007 **$'000**	2006 $'000
Accounting profit/(loss) before taxation for entities		
– with tax rate of 33%	**13,238**	(16,642)
– with tax rate of 17.5%	**4,361**	(1,058)
– with nil tax rate	**44,341**	48,078
Total	**61,940**	30,378
Tax on accounting profit/(loss) before taxation using applicable tax rates for entities		
– with tax rate of 33%	**4,369**	(5,492)
– with tax rate of 17.5%	**763**	(185)
– with nil tax rate	**–**	–
Tax effect of non-deductible expenses	**179**	–
Tax effect of unused tax losses not recognised	**88**	5,677
Reduction in deferred tax assets resulting from reduction in tax rate	**466**	–
Recognition of tax losses not recognised previously	**(3,672)**	(6,290)
Income tax expense/(credit)	**2,193**	(6,290)

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

		2007 $'000	2006 $'000
(a)	**Finance costs:**		
	Finance charges	**186**	–
(b)	**Staff costs:**		
	Contributions to defined contribution retirement plan	**7,347**	6,306
	Equity settled share-based payment expenses	**4,204**	–
	Salaries, wages and other benefits	**103,062**	86,264
		114,613	92,570
(c)	**Other items:**		
	Depreciation	**9,000**	7,104
	Taxes other than income tax	**5,333**	3,090
	Auditors' remuneration		
	– audit services	**1,094**	83
	– tax services	**120**	–
	Repair and maintenance	**997**	743
	Operating lease charges in respect of		
	– rental of building, offices and dormitories	**4,637**	2,305
	– hire of transmission lines	**7,249**	6,085

6. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of HK$5,977,000 (2006: HK$15,056,000) which has been dealt with in the financial statement of the Company.

7. DIVIDENDS

No dividend has been paid or declared by the Company during the year ended 31 December 2007 (2006: Nil).

8. EARNINGS PER SHARE

(a) *Basic earnings per share*

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$59,747,000 (2006: HK$36,668,000) and the weighted average of 713,827,000 shares in issue (2006: 649,800,000 shares after adjusting for the capitalisation issue in 2007) during the year, calculated as follows:

Weighted average number of ordinary shares

	2007 '000	2006 '000
Issued ordinary shares at 1 January	**17,950**	17,950
Effect of issue of New shares (Note 11(i))	**1,400**	1,400
Effect of repurchase of existing shares (Note 11(i))	**(17,950)**	(17,950)
Effect of Other allotment (Note 11(ii))	**10,775**	–
Effect of Capitalisation Issue (Note 11(iii))	**648,400**	648,400
Effect of issue of New shares by placing (Note 11(iv))	**53,252**	–
Weighted average number of ordinary shares at 31 December	**713,827**	649,800

(b) *Diluted earnings per share*

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$59,747,000 (2006: HK$36,668,000) and the weighted average number of ordinary shares of 715,520,000 shares (2006: 649,800,000), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2007 '000	2006 '000
Weighted average number of ordinary shares at 31 December	**713,827**	649,800
Effect of deemed issue of share under the Company's share option scheme	**1,693**	–
Weighted average number of ordinary shares (diluted) at 31 December	**715,520**	649,800

9. TRADE AND OTHER RECEIVABLES

	2007 $'000	2006 $'000
The Group		
Trade receivables		
– amounts due from related parties	902	4,041
– amounts due from third parties	58,349	32,263
Deposits, prepayments and other receivables		
– amounts due from an ultimate shareholder and related parties	–	11,743
– others	2,412	2,050
	61,663	50,097
The Company		
Trade receivables		
– amounts due from related parties	–	31
Deposits, prepayments and other receivables		
– amounts due from an ultimate shareholder and related parties	–	2,379
– others	1,423	199
	1,423	2,609

The amount due from an ultimate shareholder and related parties are unsecured, interest free and repayable on demand.

(a) Ageing analysis

Included in trade receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis as of the balance sheet date:

	2007 $'000	2006 $'000
The Group		
Aged within 1 month	22,526	18,670
Aged between 1 to 3 months	33,559	12,588
Aged between 3 to 6 months	3,166	2,283
Aged between 6 months to 1 year	–	2,763
	59,251	36,304
The Company		
Aged within 1 month	–	31

(b) *Impairment of trade receivables*

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movement in the allowance for doubtful debts during the year is as follows:

	The Group		The Company	
	2007	2006	**2007**	2006
	$'000	$'000	**$'000**	$'000
At 1 January	**–**	–	**–**	–
Impairment loss recognised	**362**	–	**–**	–
Uncollectible amounts written off	**–**	–	**–**	–
	362	–	**–**	–

At 31 December 2007, the Group's trade receivables of HK$362,000 (2006: nil) were individually determined to be impaired. The individually impaired receivables related to invoices that were default in payments and management assessed that the receivables are not to be recovered. Consequently, specific allowances for doubtful debts of HK$362,000 (2006: nil) were recognised. The Group does not hold any collateral over these balances.

10. TRADE AND OTHER PAYABLES

	2007	2006
	$'000	$'000
The Group		
Creditors and accrued charges	**19,524**	11,568
Advance payments from customers	**–**	583
Amounts due to an ultimate shareholder	**967**	6,419
Amounts due to related parties	**195**	40,748
	20,686	59,318
The Company		
Creditors and accrued charges	**4,985**	350
Advance payments from customers	**–**	165
Amounts due to an ultimate shareholder	**–**	6,418
Amounts due to related parties	**80**	40,185
	5,065	47,118

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	2007 $'000	2006 $'000
The Group		
Due within 3 months or on demand	**12,964**	12,250
The Company		
Due within 3 months or on demand	**167**	515

All of the trade payables are expected to be settled within one year.

The amount due to an ultimate shareholder and related parties are unsecured, interest free and repayable on demand.

11. SHARE CAPITAL

Authorised and issued share capital

		2007		2006	
		No. of shares '000	**$'000**	No. of shares '000	$'000
Authorised:					
Ordinary shares of US$0.0001 each	(i)	–	–	500,000	390
Ordinary shares of HK$0.01 each	(i)	**4,000,000**	**40,000**	–	–
Ordinary shares, issued and fully paid:					
At 1 January		**17,950**	**14**	17,950	14
Issue of New shares	(i)	**1,400**	**14**	–	–
Repurchase of existing shares	(i)	**(17,950)**	**(14)**	–	–
Other allotment	(ii)	**34,200**	**342**	–	–
Capitalisation Issue	(iii)	**648,400**	**6,484**	–	–
Issue of New shares by placing	(iv)	**262,200**	**2,622**	–	–
At 31 December		**946,200**	**9,462**	17,950	14

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(i) On 8 September 2007, the authorised share capital of the Company was increased by HK$40,000,000 by the creation of 4,000,000,000 shares ("New shares") at par value of HK$0.01 each. The Company then issued an aggregate of 1,400,100 New shares at par value of HK$0.01 each to Ever Prosper International Limited ("Ever Prosper"), the immediate parent and ultimate controlling party.

Following the issue of New shares, the Company repurchased all 17,950,000 existing issued shares of US$0.0001 each in the capital of the Company at a price of HK$14,001 in aggregate ("the Repurchase") which was paid out from the proceeds of the issue. Following the Repurchase, the authorised share capital of the Company was reduced by the cancellation of all unissued shares of US$0.0001 each in the capital of the Company.

(ii) 34,200,000 shares of HK$0.01 each were allotted and issued at par to Ever Prosper on 8 September 2007 with proceeds of HK$342,000 received ("Other allotment").

(iii) On 21 September 2007, the Company allotted and issued an total of 648,399,900 shares at par value of HK$0.01 each to Ever Prosper by capitalising the Company's retained profits of HK$6,483,999 ("Capitalisation Issue").

(iv) On 16 October 2007, 228,000,000 ordinary shares of HK$0.01 each were issued at a price of HK$1.36 per share and listed on the GEM of the Stock Exchange. On 7 November 2007, an additional 34,200,000 ordinary shares of HK$0.01 each were issued at a price of HK$1.36 per share.

Part of proceeds of HK$2,622,000, being the par value of the shares issued, was credited to the Company's share capital account. The remaining proceeds of HK$353,970,000 as set off by share issuance expenses of HK$27,583,000 were credited to the share premium account (Note 12).

The application of the share premium account of the Company is governed by the Companies Law (Revised) of the Cayman Islands.

(v) Terms of unexpired and unexercised share options at the balance sheet date

Exercise period	**Exercise price**	**2007 Number**	**2006 Number**
16 October 2008 to 15 April 2009	HK$1.36	**60,000,000**	–

Each option entitles the holder to subscribe for one ordinary share in the Company.

12. RESERVES

The Group

	Statutory reserve $'000 Note (i)	Exchange reserve $'000	Share premium $'000	Capital contribution reserve $'000	Capital reserve $'000	Retained profits $'000	Total $'000
As at 1 January 2006	97	(49)	–	4,934	–	17,279	22,261
Net profit for the year	–	–	–	–	–	36,668	36,668
Recognised expenses on free rental from an ultimate shareholder	–	–	–	1,032	–	–	1,032
Exchange difference on translation of financial statements of subsidiaries	–	703	–	–	–	–	703
As at 31 December 2006 and 1 January 2007	97	654	–	5,966	–	53,947	60,664
Net profit for the year	–	–	–	–	–	59,747	59,747
Capitalisation Issue (Note 11(iii))	–	–	–	–	–	(6,484)	(6,484)
Share premium for issuing new shares (Note 11(iv))	–	–	353,970	–	–	–	353,970
Share issue expenses (Note 11(iv))	–	–	(27,583)	–	–	–	(27,583)
Equity settled share–based payment	–	–	–	–	4,204	–	4,204
Exchange difference on translation of financial statements of subsidiaries	–	1,822	–	–	–	–	1,822
As at 31 December 2007	97	2,476	326,387	5,966	4,204	107,210	446,340

The Company

	Share premium $'000 Note (ii)	Capital reserve $'000	Retained profits $'000 Note (ii)	Total $'000
As at 1 January 2006	–	–	25,321	25,321
Net profit for the year	–	–	15,056	15,056
As at 31 December 2006 and 1 January 2007	–	–	40,377	40,377
Net profit for the year	–	–	5,977	5,977
Capitalisation Issue (Note 11(iii))	–	–	(6,484)	(6,484)
Share premium for issuing new shares (Note 11(iv))	353,970	–	–	353,970
Share issue expenses (Note 11(iv))	(27,583)	–	–	(27,583)
Equity settled share–based payment	–	4,204	–	4,204
As at 31 December 2007	326,387	4,204	39,870	370,461

(i) Statutory reserve

The Group's wholly owned subsidiaries in Macau are required to transfer not less than 25% of their net profits, as determined in accordance with Commercial Code of Macau, to their statutory reserve funds until the balance reaches 50% of the registered capital. As at 1 January 2007, the balances of statutory reserve in these subsidiaries had already reached 50% of their respective registered capital and no more transfer was required to be made to the statutory reserve funds of these subsidiaries.

The statutory reserve can be used to make up for previous years' losses of the subsidiaries, if any. This fund can also be used to increase capital of the subsidiaries, if approved. This fund is non-distributable other than upon liquidation. Transfer to this fund must be made before distributing dividends to the equity holders.

Pursuant to the applicable regulations in the PRC, the Group's wholly owned subsidiary in the PRC, namely China Elite Info. Co. Limited ("China Elite"), is required to transfer at least 10% of its after-tax profit determined under the relevant accounting regulations in the PRC (after offsetting prior year losses) to the statutory reserve until the balance reaches 50% of the registered capital. As China Elite had accumulated losses, no transfer was made to the statutory reserve during the year.

(ii) Distributability of reserves

Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

As at December 2007, the Company had HK$366,257,000 available for distribution to equity shareholders of the Company (2006: HK$40,377,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Super Secretarial Service

In 2007, the Group began provision of the Super Built-in-Secretarial (SBIS) service. The new service was based on the existing BIS service, and was provided in a number of languages to target high-end subscribers of the telecommunication customers of the Group. Each operator served a relatively small number of subscribers and provided a wide range of customized secretarial services such as making restaurant, air ticket, and hotel reservations. The new service created unique value for our customers and have earned positive feedback. The premier service has fetched a price that reflects its value, and contributes to the increasing profitability of International Elite Ltd..

Multi-Skill Training

The Group provided employees with various training programs, including a new multi-professional-and-management-skills training program. This new training program was designed to imbue the already experienced operator with skills that would allow him to work on multiple projects. That made the project teams more versatile and diversified the supply and demand of Group's resources. Consequently the same operator that would otherwise be idle could now be serving a customer on a different project. That has significantly enhanced the Group's efficiency, particularly in small projects with volatile call volume. The cost control process has directly contributed to the widening of the gross profit margin.

An added benefit of the new training program was the further improvement of service quality. The multi-skill operators have gone through at least two structured training program, and have demonstrated superior performance in terms of customer satisfaction and telesales success rate. The Directors believe that the multi-skill operations can form an elite CRM team that is particularly suitable for high-end customer requirement.

CRM Service Centers

As at 31 December 2007, the Group operated three CRM service centers in Guangzhou, PRC, with a total seating capacity of approximately 4,100 seats. The Group employed approximately 4,101 operators, and the utilization rate remained stable at approximately 89%, up 17% as compared with the previous year. The efficiency enhancements have brought about a general increase in productivity of each workstation, and thus the overall production capability of the 4,100 seats. Consequently the Group was able to maintain the utilization rate at sustainable level while generated substantially larger revenue.

Acquisition of New Customers

During the period under review, the Group has entered into new service contracts with the following customers on the provision of CRM services.

Customer	Service	Date
Hutchison Telephone (Macau) Company Limited	Telemarketing	March 2007
Guangzhou Ai Che Information and Technology Company Limited	Telemarketing	April 2007
Guangzhou Yue Yi Ceremonial Services Company Limited	Customer Hotline Service & Telemarketing	May 2007
Guangzhou Wang Tai Health Care Products Company Limited	Telemarketing	May 2007
Guangzhou Shun Kong Medical and Health Care Equipment Operation Department	Telemarketing	June 2007
New National Information Communications Ltd., Guangdong Branch	Telemarketing	July 2007
Beijing Adsale Exhibition Services Limited Shenzhen Branch	Telemarketing	December 2007

IPO

16 October 2007 marked a monumental milestone for everyone at International Elite Ltd., as the Company, following six months of intense effort, successfully listed on the GEM of the Stock Exchange.

As the Company commenced its new identity as the public company coded 8313, the Directors, management, and staff at International Elite Ltd. recognize both the reputation as the only public outsourcing CRM service provider in PRC as well as the heightened responsibility that is inherent to every public company. The years ahead will be a time of tremendous growth in China, the CRM industry, and the Company. We at International Elite Ltd. are devoted to maximizing the return to our shareholders through innovative products and solid execution.

Awards and Certification

In July 2007, the Group has for the third consecutive year won the "Best Outsourcing Call Centre in China 2006-2007" award by the China's Best Customer Service Appraisal Committee.

In September 2007, the Group was accredited with the "Ten Years of China Call Center" Industry Development Contribution Award" by the China Call Center & Customer Relations Management Association, the Call Center Occupational Standards Committee of the Ministry of Information Industry and CCM World Group.

In November 2007, China Elite has successfully renewed the ISO 9001:2000 certificate for the provision of CRM services.

Financial Review

Turnover

For the year ended 31 December 2007, total turnover was approximately HK$213,870,000, representing an annual growth rate of 43%. Inbound services and outbound services respectively accounted for 52% and 48% of the Group's turnover for the year ended 31 December 2007. There was an increase of 119% of turnover from outbound services. The gross profit margins of the inbound and the outbound segment for the year ended 31 December 2007 were 39% and 53% respectively.

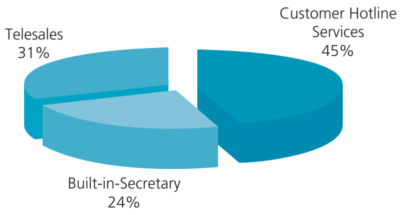

Figure 2 Revenue by service in 2006

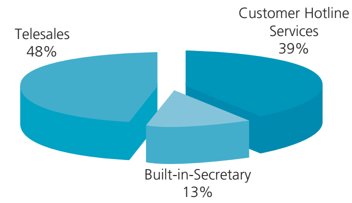

Figure 3 Revenue by services in 2007

Outbound service segment is growing at an increasing speed, and it's anticipated that outbound services, as a high-margin segment of business, will account for an increasingly substantial portion of the Group's total turnover. Moreover, the Group has successfully expanded its business to the non-telecommunications industries and gained satisfactory results.

Gross Profit

The Group's gross profit for the year ended 31 December 2007 was approximately HK$97,747,000, representing an increase of 87% and a 11% widening of gross profit margin. Inbound services and outbound services accounted for 45% and 55% of the Group's gross profit for the year ended 31 December 2007. The increase was primarily attributable to the increase in economy of scale, improvement in operating efficiency due to a multi-skill training program, and shift of focus to more profitable business segments.

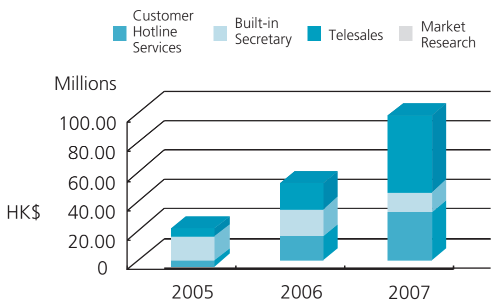

Figure 4 Gross profit by service

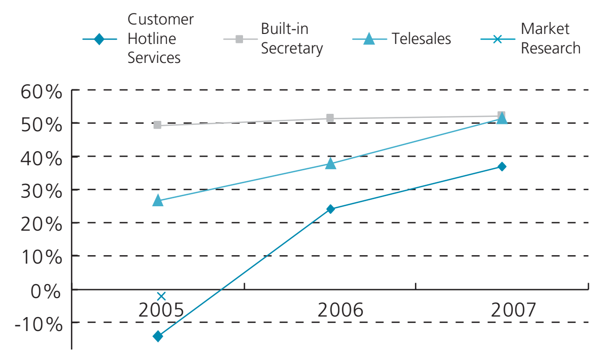

Figure 5 Gross profit margin by service

Administrative Expenses

During the year under review, the total administrative expenses were approximately HK$38,712,000. Administrative expenses were equivalent to 18% of sales in 2007, 3% higher than the previous year due to one time costs including the establishment of the multi-skill training program and costs related to the IPO.

Profit Attributable to Equity Shareholders

The Group's profit attributable to equity shareholders for the year ended 31 December 2007 was approximately HK$59,747,000, while the figure in 2006 was approximately HK$36,668,000, up approximately 63%. The net profit margin also grew 4% to approximately 28%. The Group will benefit from the rise of labor cost, which forces companies to outsource their call centers to cost-effective professional CRM service providers to reduce cost. This will lead to more opportunities in the industry, and a material increase in the margin of the Group's profit attributable to equity shareholders. The average return to equity was 23%.

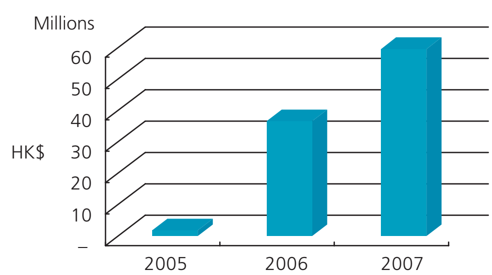

Figure 6 Net Profit

FUTURE PROSPECT

At International Elite Ltd., we think deep and creatively about new possibilities to continually enhance our business. We have formulated plans to launch a new service, a new process, and tackle new market in 2008. Each of the new development is exciting in its own right, but together they symbolize the modern evolution of customer relationship management concept.

Internet CRM

At International Elite Ltd., we believe that it is better to be in businesses that are truly differentiating than to endlessly compete in size and volume of traditional CRM businesses with thinning margin. To maintain a competitive edge over our competitors, the Group continuously develops innovative solutions that create unique value for our customers. Leveraging our R&D resources, we focus on entering businesses that are differentiated from existing CRM.

Communication through the use of instant messaging systems has become part of everyday life, and an increasingly important advertisement channel for businesses. The Group has identified the market trend one year ago and started the development of an Internet based CRM platform. The Group has reached an agreement with MSN China in November 2007 to provide CRM service on the MSN Messenger. Today, the Group has the capability to provide CRM service via telephone as well as on the Internet through instant messaging channels.

Preliminary plans of the Group include the use of artificial intelligence to respond to customers' enquiries and provide instant service and messaging forwarding. Technical testing is under way and the launch schedule will be released shortly. The use of artificial intelligence to process text-based enquiries can reduce the reliance on human intervention, and thus significantly reduce cost. We are confident that the new service shall alter our cost structure and enhance profitability of International Elite Ltd..

Remote Workstations

Taking advantage of cutting edge IP based technology, our R&D team has developed a system to decentralize our CRM workstations. Rather than having operators come to a centralized CRM service facility, we will bring the facility to the homes of our operators using IP based internet connection. The remote workstation process can reduce workstation capital investment, lower maintenance expense, but most importantly more flexible and lean cost structure as the operators become agents rather than permanent employees of the Company.

Some of the challenges that we face include logistic and quality assurance. We are in the process of refining our process to overcome such challenges through small scale trials and mainly involve outbound services, where data security requirements are less stringent. We are confident that in time, we will iron out the process to use remote workstations on a large scale, just as we have moved formerly Hong Kong based CRM service centers to Guangzhou.

New Markets

The Group plans to continuously broaden its customer base within the telecommunication industry. The Directors intend to seek further business opportunities with China Unicom for the provision of CRM outsourcing services in the PRC in provinces other than Guangdong. The Group will also participate in the bidding of CRM outsourcing service contracts from China Mobile, the leading telecommunication service provider in the PRC. The Directors are confident that the Group will begin provision of service to China Mobile in the first half of 2008.

Moreover, the Group also seeks to develop the non-telecommunication markets and overseas markets. As CRM and outsourcing both gain increasing recognition, the Directors anticipate demand for quality CRM solution from industries including finance, internet, travel, health care, market research, retail etc; and also from foreign markets. The Group currently provides CRM services to travel, insurance, health care, and information technology companies; and at the same time has a service agreement with Times Telecom of Canada.

New Service Centers

International Elite Ltd. aims to expand production capacity by establishing two new CRM service centers. The Group has identified numerous viable purchase targets, and is in the process of negotiation and selection. Our improved efficiency has increased the production capacity of the existing service centers, and allowed more time to find the best possible option for the establishment of the two CRM service centers. The Group has received in March 2008 a letter from the Economic Zone of Guangzhou: Economic and Technological Development District (廣州經濟技術開發區) that discusses the possibility of offering government support in the use of land for the establishment of an outsourcing base. The development might potentially reduce the cost of the new CRM service centers.

Along with the use of remote workstations, the Group aims to employ for production at least 6,000 seats by the end of 2008, and lay the foundation of no less than 10,000 seats in the two new CRM service centers in preparation of the rapid expansion to come.

Acquisition

In 2008, the Group will continue to seek suitable small and medium sized CRM service providers for acquisition or merger. As at 31 December 2007, the Group has identified one potential target that we intend to acquire in the first half of 2008. Details of the acquisition will be announced when the plan is finalized.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business objectives as set out in the prospectus of the Company dated 11 October 2007 ("Prospectus") with actual business progress for the period from the date of commencement of dealings in the shares on the GEM to 31 December 2007:

Business Objectives	**Actual Business Progress**
EXPANSION OF SEATING CAPACITY	
In the southern and north-eastern regions of the PRC, set up and commence operation of new CRM service centers through (i) the acquisition or rental of suitable land and buildings; and/or (ii) the acquisition of suitable small to medium sized CRM service centers.	(i) Received in March 2008 a letter from the Economic Zone of Guangzhou: Economic and Technological Development District (廣州經濟技術開發區) that discusses the possibility of offering government support in the use of land for the establishment of an outsourcing base. The development might potentially reduce the cost of the new CRM service centers. (ii) Identified potential target that the Directors intend to acquire in the first half of 2008.
Purchase computers, machinery, and equipment, and carry out renovation of the new CRM service centers.	Due to the delay in setting up the new CRM service centers, the plan for the purchase of computers, machinery, and equipment, and carrying out renovation of the new CRM service centers has also been postponed accordingly.
Recruit and train operators for the new CRM service centers.	Due to the delay in setting up the new CRM service centers, the operator recruitment and training are now pending.
EXPANSION OF CUSTOMER BASE AND MARKETS	
Further develop relationships with non-telecommunications companies.	Acquired customers in non-telecommunication industries. Non-telecommunication segments generated approximately 12% of the Group's revenue in 2007. For details of new customers, please refer to sub-paragraph headed "Acquisition of New Customers" in the section headed "Management Discussion and Analysis".
Reinforce the Group's relationships with existing overseas telecommunications customers (including overseas companies in Canada) for aggressively expanding the Group's overseas business markets.	In talks with a number of overseas telecommunication service providers.
CONTINUOUS IMPROVEMENT OF SERVICES TO EXISTING CUSTOMERS	
Execute various business expansion strategies and cooperate with China Unicom in marketing CRM outsourcing services in regions outside Guangdong Province.	During the year, the Group designed various value adding services for the customers. In negotiation with a major MNO on a non-telecommunication value adding service outsourcing agreement.
PROVISION OF NEW SERVICES	
Carry out research on technology and platform for various new Internet-based CRM services.	Reached an agreement with MSN China in November 2007 to provide CRM service on the MSN Messenger.

Use of Proceeds

The actual use of proceeds for the period from the date of commencement of dealings in the shares on the GEM to 31 December 2007, as compared to the amount set out in the section headed "Use of Proceeds" of the Prospectus, is summarised as follows:

	Proposed HK$ Million	**Actual** HK$ Million
Set up of new CRM service center in the Southern and Northeast region		
– Acquisition of land and building	99.7	– (Note 1)
– Purchase of equipment and facilities	42.0	– (Note 2)
– Renovation and furnishing	41.3	– (Note 2)
Acquisition of small to medium sized CRM services centers	–	–
Repayment of non-trade balance due to related parties	30.8	30.8
Development of new Internet CRM services	–	–
General Working capital	–	–
Total	213.8	30.8

Notes:

1. Received in March 2008 a letter from the Economic Zone of Guangzhou: Economic and Technological Development District (廣州經濟技術開發區) that discusses the possibility of offering government support in the use of land for the establishment of an outsourcing base. The development might potentially reduce the cost of the new CRM service centers. Please refer to the paragraph titled "New Service Centers" of the section headed "Future Prospect" for details.

2. Due to the delay in setting up the new CRM service centers, the plan for the purchase of computers, machinery, and equipment, and renovation and furnishing of the new centers has also been postponed accordingly.

Dividends

The Board does not recommend the payment of a final dividend for the year ended 31 December 2007 (2006: Nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES OF THE COMPANY

Directors' and Chief Executives' Interest in Shares, Underlying Shares and Debentures

As at 31 December 2007, so far is known to the Directors, the Directors and the chief executives had the following interests and short positions in the shares, underlying shares or the debentures of Company or any of its associated corporation within the meaning of part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), which would have to be notified to the Company and the Stock Exchange pursuant to the provision of Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of the which they were taken or deemed to have under such provisions of the SFO) and/or required to be entered in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.68 of the GEM Listing of Rules.

Name of Directors	Company/ Associated corporation	Number of shares held Personal Interests	Family Interests	Corporate Interests	Total of Interests	Percentage of Equity
Mr. Li Kin Shing	Company	–	–	684,000,000 *(Note 1)*	684,000,000	72.29%
Mr. Li Kin Shing	Company	20,000,000 *(Note 4)*			20,000,000	2.11%
Ms. Kwok King Wa	Company	–	–	684,000,000 *(Note 2)*	684,000,000	72.29%
Ms. Kwok King Wa	Company	18,550,000 *(Note 4)*	–	–	18,550,000	1.96%
Ms. Li Yin	Company	–	–	– *(Note 3)*	–	–
Ms. Li Yin	Company	12,600,000 *(Note 4)*	–	–	12,600,000	1.33%
Mr. Wong Kin Wa	Company	2,000,000 *(Note 4)*	–	–	2,000,000	0.21%
Mr. Li Wen	Company	1,000,000 *(Note 4)*	–	–	1,000,000	0.106%
Mr. Tang Yue	Company	500,000 *(Note 4)*	–	–	500,000	0.053%
Mr. Chen Xue Dao	Company	500,000 *(Note 4)*	–	–	500,000	0.053%
Mr. Cheung Sai Ming	Company	500,000 *(Note 4)*	–	–	500,000	0.053%
Mr. Li Kin Shing	Ever Prosper International Limited ("Ever Prosper")	500	465 *(Note 5)*	–	965	–
Ms. Kwok King Wa	Ever Prosper	465	500 *(Note 5)*	–	965	96.50%
Ms. Li Yin	Ever Prosper	35	–	–	35	3.50%

Notes:

1. The 684,000,000 shares are owned by Ever Prosper, which is owned as to 50% and 46.5% by Mr. Li Kin Shing and Ms. Kwok King Wa respectively. Mr. Li Kin Shing is the spouse of Ms. Kwok King Wa. Accordingly, Mr. Li Kin Shing is deemed to be interested in the 684,000,000 shares under the SFO.

2. The 684,000,000 shares are owned by Ever Prosper, which is owned as to 50% and 46.5% by Mr. Li Kin Shing and Ms. Kwok King Wa respectively. Ms. Kwok King Wa is the spouse of Mr. Li Kin Shing . Accordingly, Ms. Kwok King Wa is deemed to be interested in the 684,000,000 shares under the SFO.

3. Ms. Li Yin holds 3.5% of the issued share capital of Ever Prosper, which in turn holds 72.29% of the issued share capital of the Company.

4. These shares are held pursuant to the options granted under pre-IPO share option scheme of the Company.

5. Mr. Li Kin Shing and Ms. Kwok King Wa respectively holds 500 and 465 shares of the share capital of Ever Prosper, with the nominal value US$1 per share. Mr. Li Kin Shing and Ms. Kwok King Wa are the spouse of each other. Accordingly, Mr. Li Kin Shing and Ms. Kwok King Wa are deemed to be interested in the shares under each other's name under the SFO.

Save as disclosed above, as at 31 December 2007, none of the Directors nor the chief executives of the Company had any interests or short positions in any shares, underlying shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and/or short positions which were taken or deemed to have under such provisions of the SFO), or which were recorded in the register maintained by the Company, pursuant to Section 352 of the SFO, or which would have to be notified to the Company and the Stock Exchange, pursuant to Rules 5.40 to 5.68 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 December 2007, so far as it is known to the Directors, the persons (other than the Directors or chief executive of the Company) with interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register of the Company required to be kept under section 336 of the SFO or who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group will be as follows:

Long position in shares:

Name	Capacity	Number of shares	Approx. percentage of interests
Ever Prosper	Beneficial owner	684,000,000 *(Note 1)*	72.29%
Keywise Greater China Opportunities Master Fund	Beneficial owner	57,366,000 *(Note 2)*	6.06%

Notes:

1. The 684,000,000 shares are owned by Ever Prosper which is owned as to 50%, 46.5% and 3.5% by Mr. Li Kin Shing , Ms. Kwok King Wa and Ms. Li Yin respectively. Mr. Li Kin Shing is the spouse of Ms. Kwok King Wa.

2. The 57,366,000 shares are beneficially held by Keywise Greater China Opportunities Master Fund, whose holding company, Keywise Capital Management (HK) Limited, is indirectly interested in these shares.

Save as disclosed above, as at 31 December 2007, so far as it is known to the Directors, there was no other person (other than the Directors or chief executive of the Company) with interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register of the Company required to be kept under section 336 of the SFO or who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this announcement, during the year under review, there was no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTIONS SCHEMES

Pre-IPO Share Option Scheme

In order to recognise the contribution of, and provide an incentive to the Directors, senior management and employees of the Group who have contributed to the growth of the Group and/or to the listing of the Company's shares on GEM, the Company established the pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") pursuant to the written resolution of the Shareholders dated 21 September 2007.

The total number of shares in respect of which share options (the "Pre-IPO Share Options") may be granted under the Pre-IPO Share Option Scheme shall not exceed 60,000,000 shares, representing 100% of the number of Pre-IPO Share Options already granted by the Company. The Pre-IPO Share Options shall be exercised at the price of HK$1.36. Subject to other conditions as set out in the rules of the Pre-IPO Share Option Scheme, the Pre-IPO Share Options will be exercisable by the grantees from the end of the twelfth month after 16 October 2007 (the "Listing Date") until the end of the eighteenth month after the Listing Date unless extended in writing by the board of Directors (and approved by the independent non-executive Directors). Each of the Pre-IPO Share Options (to the extent not already exercised) shall lapse automatically at the end of such period.

On 8 October 2007, the Company had granted 60,000,000 Pre-IPO Share Options to, and accepted by certain Directors, senior management and employees of the Group.

Details of this Pre-IPO share option scheme are fully disclosed in the Prospectus.

As on 31 December 2007, none of the Pre-IPO Share Option has been exercised and all of the Pre-IPO Share Option holders maintained their employment with the Company.

Share Option Scheme

The Company has conditionally adopted the Share Option Scheme in the written resolutions of the Shareholders passed on 21 September 2007 (the "Share Option Scheme").

The Share Option Scheme became unconditional after the listing of the Company's shares on the GEM on 16 October 2007. The Company did not grant or cancel any options under the Share Option Scheme any time during the year, and as at 31 December 2007, there was no outstanding share option under the Share Option Scheme.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct which is not more lenient than the Rules 5.48 to 5.67 of the GEM Listing Rules. Specific enquiry to all Directors has been made and the Company has confirmed that the Directors have complied with the required standard set out in the code of conduct during the financial year ended 31 December 2007.

AUDIT COMMITTEE

The Company established an audit committee in September 2007 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are among others, to review and supervise the financial reporting processes and internal control procedures of the Group and to provide advice and comments to the Board accordingly. The audit committee consists of the three independent non-executive Directors of the Company, namely, Mr. Cheung Sai Ming, Mr. Chen Xue Dao and Mr. Tang Yue. Mr. Cheung Sai Ming is chairman of the audit committee.

The audit committee of the Company has reviewed the audited financial statements of the Group and the Company for the year ended 31 December 2007 and is of the opinion that the audited financial statements complied with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

Auditors' Remuneration

The audit committee of the Company is responsible for considering the appointment of the external auditors and reviewing other non-audit functions performed by the external auditors, including whether such non-audit functions have any potential significant negative impact on the Company. The Company engaged KPMG (i) to prepare the Accountant's Report for the two financial years ended 31 December 2006 and the five months ended 31 May 2007 in relation to its listing during the year for RMB2,720,000, (ii) to audit the financial statements of the Group for the year ended 31 December 2007 for RMB1,000,000, and (iii) to provide certain tax advisory service for RMB362,600. Save as disclosed above, the Company did not engage KPMG for any other non-audit services during the year under review.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Save as disclosed in the Prospectus, during the year ended 31 December 2007, neither the Company nor any of its subsidiaries, has purchased, sold or redeemed any of the Company's shares.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, save as disclosed below, none of the Directors are considered to have interests in a business that competes or is likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses where the Directors have been appointed or were appointed as Directors to represent the interests of the Company and/or the Group.

Based on the annual report of PacificNet Inc. for the year ended 31 December 2006, Mr. Li Kin Shing, a Director, acquired 1,150,000 Shares in PacificNet Inc. in September 2003, representing approximately 9.97% shareholding in PacificNet Inc. as at 31 December 2006.

PacificNet Inc., a company incorporated in the State of Delaware and listed on the NASDAQ Stock Exchange in the US, is engaged in the business of providing CRM and outsourcing services, telecommunications value-added services, telecommunications and gaming products and services in Asia. The CRM and outsourcing services provided by PacificNet Inc. include business process outsourcing such as CRM centers, CRM and telemarketing services, and IT outsourcing services including software programming and development services. There is a risk that such services provided by PacificNet Inc. may compete with the services provided by the Group. The Directors confirm that the Group had not experienced any notable customer loss in the past as a result of competition from PacificNet Inc..

The Directors confirm that Mr. Li Kin Shing has no absolute right to appoint a director in PacificNet Inc.. As Mr. Li Kin Shing holds no board representation or management position and only holds a 9.97% minority interest in PacificNet Inc., it is highly unlikely that Mr. Li Kin Shing's interest in PacificNet Inc. would influence the decision-making of the board of Directors or management of PacificNet Inc.. As such, the Directors are of the view that the Group's business will not be materially and adversely impacted as a result of Mr. Li Kin Shing's shareholding interest in PacificNet Inc..

Ever Prosper, Mr. Li Kin Shing, Ms. Kwok King Wa and Ms. Li Yin (as the "Covenantors") executed a deed of non-competition undertaking in favour of the Company on 10 October 2007 pursuant to which the Covenantors have undertaken to the Company that in the event the Covenantors were given any business opportunity that is or may involve direct or indirect competition with the business of the Group, the Covenantors shall assist the Company in obtaining such business opportunities in the terms being offered to the Covenantors, or more favourable terms being acceptable to the Company provided that the Covenantors shall not proceed with such opportunity should the Company decline to accept such offer.

INTEREST OF COMPLIANCE ADVISER

The Company has appointed Daiwa Securities SMBC Hong Kong Limited as its compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules. The term of the appointment commenced on the Listing Date and end on the date on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year after the Listing Date (i.e. the date of dispatch of the annual report of the Company in respect of its results of the financial year ending 31 December 2009), subject to early termination.

As at 31 December 2007, as notified by Daiwa Securities SMBC Hong Kong Limited, none of Daiwa Securities SMBC Hong Kong Limited, its directors, its employees or associates had any interest in the Company's securities, including share options and the other rights to subscribe the Company's securities.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in Appendix 15 – Code on Corporate Governance Practices of the GEM Listing Rules during the period from the Listing Date to 31 December 2007. The corporate governance report adopted by the Company will be set out in the annual report of the Company for the year ended 31 December 2007.

By order of the Board
International Elite Ltd.
Kwok King Wa
Chairman

25 March 2008

As at the date of this announcement, the executive directors of the Company are Ms. Kwok King Wa, Mr. Li Kin Shing, Ms. Li Yin, Mr. Wong Kin Wa, Mr. Li Wen and the independent non-executive directors of the Company are Mr. Cheung Sai Ming, Mr. Chen Xue Dao and Mr. Tang Yue.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquires, confirm that, to the best of their knowledge and belief (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website (www.hkgem.com) on the Latest Company Announcements page for at least 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.iel.hk.