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 2008

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors of International Elite Ltd. (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") of the Stock Exchange for the purpose of giving information with regard to International Elite Ltd.. The Directors, having made all reasonable enquiries, 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.

FINANCIAL SUMMARY FOR THE YEAR ENDED 31 DECEMBER 2008

The Group's turnover was approximately HK$239,983,000, representing an increase of approximately 12% as compared with approximately HK$213,870,000 in 2007.

Profit attributable to equity shareholders of the Company was approximately HK$31,417,000, representing a decrease of approximately 47% as compared with approximately HK$59,747,000 in 2007.

Basic earnings per share was HK$0.03, representing a decrease of approximately 63% as compared with HK$0.08 in 2007.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2008 (2007: Nil).

AUDITED RESULTS

The board (the "Board") of 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 2008, together with the comparative figures for the corresponding period of last year, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008
(Expressed in Hong Kong dollars)

	Note	**2008 $'000**	2007 $'000
Turnover	2(a)	**239,983**	213,870
Cost of sales		**(148,021)**	(116,123)
Gross profit		**91,962**	97,747
Other revenue	2(b)	**8,127**	3,091
Administrative expenses		**(60,650)**	(38,712)
Other expenses	3	**(2,581)**	–
Profit from operations		**36,858**	62,126
Finance costs	5(a)	**(337)**	(186)
Profit before taxation	5	**36,521**	61,940
Income tax	6	**(5,104)**	(2,193)
Profit for the year attributable to equity shareholders of the Company		**31,417**	59,747
Earnings per share			
– Basic	9	**HK$0.03**	HK$0.08
– Diluted	9	**HK$0.03**	HK$0.08

CONSOLIDATED BALANCE SHEET

At 31 December 2008
(Expressed in Hong Kong dollars)

	Notes	2008 $'000	2007 $'000
Non-current assets			
Property, plant and equipment		**19,734**	25,013
Intangible assets		**425**	–
Deferred tax assets		**610**	4,432
Total non-current assets		**20,769**	29,445
Current assets			
Trade and other receivables	10	**46,443**	61,663
Cash at bank and in hand		**456,549**	385,715
Total current assets		**502,992**	447,378
Total assets		**523,761**	476,823
Current liabilities			
Derivatives	11	**2,581**	–
Trade and other payables	12	**15,375**	20,686
Current taxation		**1,388**	335
Total current liabilities		**19,344**	21,021
Net current assets		**483,648**	426,357
Total assets less current liabilities		**504,417**	455,802
Deferred tax liabilities		**229**	–
Net assets		**504,188**	455,802
Equity			
Share capital	13	**9,462**	9,462
Reserves	14	**494,726**	446,340
Total equity		**504,188**	455,802

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 IASB has issued a number of amendments, 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.

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments. The Group has not applied any new and revised standard or interpretation that is not yet effective for the current accounting period.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2008 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that derivative financial instruments are measured at their 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.

Up to the date of issue of these financial statements, the IASB has issued amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2008 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of the 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.

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 secretary 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:

	2008 **$'000**	2007 $'000
Inbound services	**135,953**	111,822
Outbound services	**104,030**	102,048
	239,983	213,870

(b) Other revenue

	2008 **$'000**	2007 $'000
Interest income from bank deposits	**7,299**	3,070
Others	**828**	21
	8,127	3,091

3. OTHER EXPENSES

	2008 **$'000**	2007 $'000
Change in fair value of non-deliverable foreign currency forward contract	**2,581**	–

For the year ended 31 December 2008, a net loss of approximately HK$2.6 million (2007: nil) resulted from a change in fair value of non-deliverable foreign currency forward contract has been recognised in the consolidated income statement.

4. 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 2008

	Inbound services $'000	Outbound services $'000	Total $'000
Revenue from external customers	135,953	104,030	239,983
Segment results	45,169	46,793	91,962
Unallocated income and expenses			(55,441)
Profit before taxation			36,521
Income tax			(5,104)
Profit for the year			31,417
Depreciation for the year	960	1,146	
Segment assets	32,546	17,187	49,733
Unallocated assets			474,028
Total assets			523,761
Segment liabilities	–	–	–
Unallocated liabilities			19,573
Segment capital expenditure incurred during the year	1,196	410	1,606
Unallocated capital expenditure incurred during the year			2,078
Total capital expenditure incurred during the year			3,684

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

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 2008

	PRC $'000	Hong Kong $'000	Macau $'000	Total $'000
Revenue from external customers	**29,110**	**202,283**	**8,590**	**239,983**
Segment assets	**16,168**	**30,831**	**2,734**	**49,733**
Capital expenditure incurred during the year	**3,529**	**155**	**–**	**3,684**

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

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2008 $'000	2007 $'000
(a) Finance costs:		
Finance charges	**337**	186
(b) Staff costs:		
Contributions to defined contribution retirement plan	**11,406**	7,347
Equity settled share-based payment expenses	**13,897**	4,204
Salaries, wages and other benefits	**136,463**	103,062
	161,766	114,613

	2008	2007
	$'000	$'000
(c) Other items:		
Depreciation	**9,540**	9,000
Amortisation of intangible assets	**85**	–
Taxes other than income tax	**6,761**	5,333
Auditors' remuneration		
– audit services	**1,604**	1,094
– tax services	**100**	120
Repairs and maintenance	**1,257**	997
Operating lease charges in respect of		
– rental of building, offices and dormitories	**5,370**	4,637
– hire of transmission lines	**7,287**	7,249
Research and development expenses	**694**	–

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2008	2007
	$'000	$'000
Provision for Hong Kong profits tax for the year	**(761)**	(335)
Under-provision for Hong Kong profits tax relating to prior year	**(292)**	–
Deferred taxation	**(4,051)**	(1,858)
Total income tax	**(5,104)**	(2,193)

(i) Hong Kong profits tax

The provision for Hong Kong profits tax for the year ended 31 December 2008 is calculated at 16.5% (2007: 17.5%) of the estimated assessable profits for the year.

(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., Ltd. 廣州盛華信息有限公司 ("China Elite"), was 25% in respect of the year ended 31 December 2008 (2007: 33%). China Elite had no assessable profit for the year ended 31 December 2008 as its accumulated tax losses brought forward were sufficient to offset its assessable profit.

The applicable tax rate of the Company's new subsidiary in the PRC, namely Shenyang China Elite Information Services Co., Ltd. 瀋陽盛華信息服務有限公司 ("Shenyang Elite"), was 25% in respect of the year ended 31 December 2008. Shenyang Elite had incurred a tax loss for the year ended 31 December 2008.

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

	2008 $'000	2007 $'000
Accounting profit/(loss) before taxation for entities		
– with tax rate of 25% or 33%	**15,015**	13,238
– with tax rate of 16.5% or 17.5%	**(15,156)**	4,361
– with nil tax rate	**36,662**	44,341
Total	**36,521**	61,940
Tax on accounting profit before taxation using applicable tax rates for entities		
– with tax rate of 25% or 33%	**3,754**	4,369
– with tax rate of 16.5% or 17.5%	**(2,501)**	763
– with nil tax rate	**–**	–
Tax effect of non-deductible expenses	**3,330**	179
Tax effect of unused tax losses not recognised	**–**	88
Under provision in respect of prior year	**292**	–
Reduction in deferred tax assets resulting from reduction in tax rate	**–**	466
Tax effect of temporary differences not recognised previously	**229**	–
Recognition of tax losses not recognised previously	**–**	(3,672)
Income tax expense	**5,104**	2,193

7. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a loss of HK$18,870,000 (profit in 2007: HK$5,977,000) which has been dealt with in the financial statements of the Company.

8. DIVIDENDS

No dividend has been paid or declared by the Company during the year ended 31 December 2008 (2007: Nil).

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK$31,417,000 (2007: HK$59,747,000) and the weighted average of 946,200,000 shares in issue (2007: 713,827,000 shares after adjusting for the capitalisation issues in 2007) during the year, calculated as follows:

Weighted average number of ordinary shares

	2008 **'000**	2007 '000
Issued ordinary shares at 1 January	**946,200**	17,950
Effect of issue of New shares (Note 13(i))	**–**	1,400
Effect of repurchase of existing shares (Note 13(i))	**–**	(17,950)
Effect of Other allotment (Note 13(ii))	**–**	10,775
Effect of Capitalisation Issue (Note 13(iii))	**–**	648,400
Effect of issue of New shares by placing (Note 13(iv))	**–**	53,252
Weighted average number of ordinary shares at 31 December	**946,200**	713,827

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK$31,417,000 (2007: HK$59,747,000) and the weighted average number of ordinary shares of 946,200,000 shares (2007: 715,520,000), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2008 **'000**	2007 '000
Weighted average number of ordinary shares at 31 December	**946,200**	713,827
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	**946,200**	715,520

10. TRADE AND OTHER RECEIVABLES

	2008 $'000	2007 $'000
The Group		
Trade receivables		
– amounts due from related parties	**1,633**	902
– amounts due from third parties	**42,878**	58,349
	44,511	59,251
Deposits, prepayments and other receivables	**1,932**	2,412
	46,443	61,663
The Company		
Trade receivables		
– amount due from a third party	**19**	–
Deposits, prepayments and other receivables	**1,013**	1,423
	1,032	1,423

The amounts due from related parties were 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:

	2008 $'000	2007 $'000
The Group		
Aged within 1 month	**25,028**	22,526
Aged between 1 to 3 months	**14,949**	33,559
Aged between 3 to 6 months	**2,651**	3,166
Aged between 1 to 2 years	**1,883**	–
	44,511	59,251
The Company		
Aged within 1 month	**19**	–

(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	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
At 1 January	**362**	–	**–**	–
Impairment loss recognised	**315**	362	**–**	–
Impairment loss written back	**(142)**	–	**–**	–
At 31 December	**535**	362	**–**	–

At 31 December 2008, the Group's trade receivables of HK$535,000 (2007: HK$362,000) 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 expected to be recovered. Consequently, specific allowances for doubtful debts of HK$315,000 (2007: HK$362,000) were recognised. Subsequent recoveries of HK$142,000 (2007: nil) previously charged to the allowance account were reversed against the allowance account and recognised in the income statement. The Group does not hold any collateral over these balances.

According to the contracts entered into between the Group and its customers, payments in respect of the Group's provision of services are made on an open account with credit terms ranging from 15 to 30 days. Subject to negotiation, credit terms could be extended to three to six months for certain customers with well-established trading and payment records on a case-by-case basis. The Group generally gives credit terms to its customers based on certain criteria, such as the length of business relationship with the customers and the customer's payment history, background and financial strength. The Group reviews the settlement records of its customers on a regular basis to determine their credit terms.

11. DERIVATIVES

	2008	2007
	$'000	$'000
The Group and the Company		
Non-deliverable foreign currency forward contract	**2,581**	–

12. TRADE AND OTHER PAYABLES

	2008	2007
	$'000	$'000
The Group		
Creditors and accrued charges	**15,375**	19,524
Amount due to an ultimate shareholder	**–**	967
Amounts due to related parties	**–**	195
	15,375	20,686

	2008 $'000	2007 $'000
The Company		
Creditors and accrued charges	**2,106**	4,985
Amounts due to related parties	**–**	80
	2,106	5,065

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

	2008 $'000	2007 $'000
The Group		
Due within 3 months or on demand	**10,013**	12,964
The Company		
Due within 3 months or on demand	**–**	167

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

13. SHARE CAPITAL

Authorised and issued share capital

		2008		2007	
		No. of shares '000	$'000	No. of shares '000	$'000
Authorised:					
Ordinary shares of HK$0.01 each	(i)	**4,000,000**	**40,000**	4,000,000	40,000
Ordinary shares, issued and fully paid:					
At 1 January		**946,200**	**9,462**	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**	946,200	9,462

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 of New shares. 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 a 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 14).

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	**2008 Number**	2007 Number
16 October 2008 to 15 April 2009	HK$1.36	**60,000,000**	60,000,000

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

14. RESERVES

	The Group 2008 $'000	The Group 2007 $'000	The Company 2008 $'000	The Company 2007 $'000
Statutory reserve (Note 14(i))				
At 1 January and at 31 December	**97**	97	**–**	–
Exchange reserve				
At 1 January	**2,476**	654	**–**	–
Exchange difference on translation of financial statements of subsidiaries	**2,370**	1,822	**–**	–
At 31 December	**4,846**	2,476	**–**	–
Share premium (Note 14(ii))				
At 1 January	**326,387**	–	**326,387**	–
Share premium for issuing new shares (Note 13(iv))	**–**	353,970	**–**	353,970
Share issue expenses (Note 13(iv))	**–**	(27,583)	**–**	(27,583)
At 31 December	**326,387**	326,387	**326,387**	326,387
Capital contribution reserve				
At 1 January	**5,966**	5,966	**–**	–
Waiver of rental payable due to an ultimate shareholder	**702**	–	**–**	–
At 31 December	**6,668**	5,966	**–**	–
Capital reserve				
At 1 January	**4,204**	–	**4,204**	–
Equity settled share-based payment	**13,897**	4,204	**13,897**	4,204
At 31 December	**18,101**	4,204	**18,101**	4,204
Retained earnings (Note 14(ii))				
At 1 January	**107,210**	53,947	**39,870**	40,377
Net profit for the year	**31,417**	59,747	**(18,870)**	5,977
Capitalisation Issue (Note 13(iii))	**–**	(6,484)	**–**	(6,484)
At 31 December	**138,627**	107,210	**21,000**	39,870
Total	**494,726**	446,340	**365,488**	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. 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 during 2007 and 2008.

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, 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 31 December 2008, the Company had HK$347,387,000 available for distribution to equity shareholders of the Company (2007: HK$366,257,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Customers in Non-Telecommunication Industries

In 2008, the Group rapidly developed its non-telecommunications customer base for CRM business and successfully acquired the service contracts from KFC and Guangzhou Watsons for the restaurant order placement, account enquiry, member registration and exhibition arrangement, etc. These new services created unique value for customers and have earned positive feedback.

Multi-Skill Training

The Group provided various training programs for staff, including a new multi-skill-and-management training program. This new training program is designed to imbue the experienced operators with skills that will allow them to work on multiple projects. This makes the project teams more versatile and better allocates the Group's resources. Consequently, operators that would otherwise be idle can now serve customers of different projects. That has significantly enhanced the Group's efficiency, particularly in small projects with volatile call volume.

An additional benefit of the new training program is the further improvement of service quality. The multi-skill operators have attended at least two structured training programs, and have demonstrated superior performance in terms of customer satisfaction and telesales success rate. The Directors believe that the operators with multi-skills can form an elite CRM team that particularly suits for high-end customers.

CRM Service Centers

As at 31 December 2008, the Group operated three CRM service centers in Guangzhou, the PRC, with a total seating capacity of approximately 4,100 seats. The Group employed approximately 4,175 operators, and the utilization rate was approximately 91%, representing an increase of approximately 2% as compared with that of the previous year. The Group provided various trainings for staff to enhance their multi-skills for different programs. The efficiency enhancement has resulted in a general increase in productivity of each workstation. Consequently, the Group was able to maintain the utilization rate at sustainable level while generating larger revenue.

Acquisition of New Customers

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

Customer	Service	Contract date
Guangzhou Yi Jie Information and Technology Company Limited (廣州市易傑數碼科技有限公司)	Telesales Service	January 2008
Guangzhou Watsons Your Personal Care Stores Limited (廣州屈臣氏個人用品商店有限公司)	Customer Hotline Service	March 2008
	Customer Registration Support Service	October 2008
Birdland (Hong Kong) Limited	KFC Order Taking Service	April 2008

Awards and Certification

In January 2008, Guangzhou Government granted the "Service Outsourcing Base Contribution Award" to China Elite.

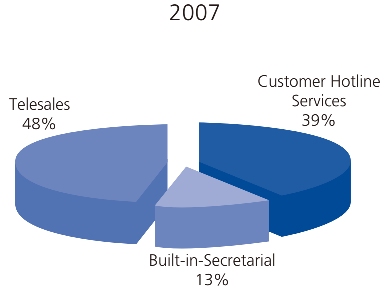
In June 2008, Asia Pacific Customer Service Consortium granted the "Best Contact Center of the Year" and the "Best Outsourcing Service Team of the Year" awards to China Elite.

In June 2008, China's Best Customer Service Appraisal Committee conferred the "Best Outsourcing Service Provider in China" award to China Elite.

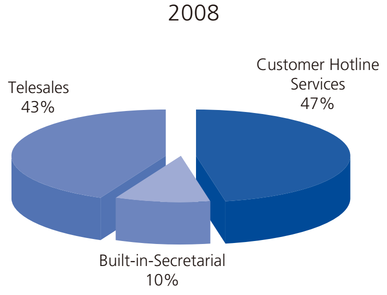
Financial Review

Turnover

For the year ended 31 December 2008, the Group's total turnover was approximately HK$239,983,000, representing an annual growth rate of approximately 12%. Inbound services and outbound services accounted for approximately 57% and 43% of the Group's total turnover for the year ended 31 December 2008 respectively. There were increase of approximately 22% of turnover from inbound services and 2% of turnover from outbound services respectively. The gross profit margins of the inbound and the outbound segments for the year ended 31 December 2008 were approximately 33% and 45% respectively. Below are the charts illustrating the Group's revenue generated from different service segments in 2007 and 2008.



Revenue by services in 2007

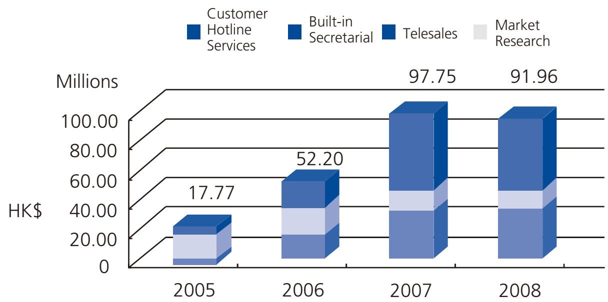


Revenue by services in 2008

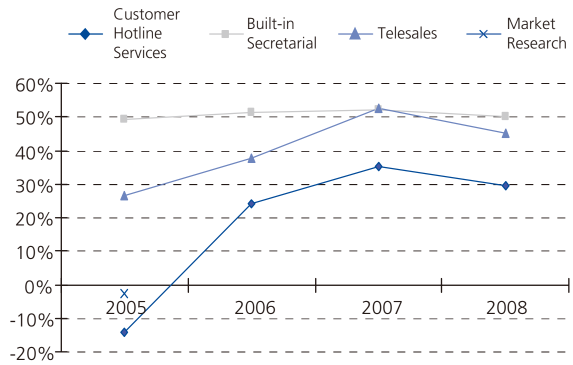
It is anticipated that outbound services, as a high-margin business segment, will account for an increasing and substantial portion of the Group's total turnover in the future. Moreover, the Group has successfully expanded its business to non-telecommunications industries and gained satisfactory results.

Gross Profit

The Group's gross profit for the year ended 31 December 2008 was approximately HK$91,962,000, representing a decrease of approximately 6%. The gross profit margin decreased from approximately 46% to approximately 38%. Inbound services and outbound services accounted for approximately 49% and 51% of the Group's gross profit for the year ended 31 December 2008 respectively. The decrease in gross profit margin was primarily due to the appreciation of RMB and increased staff cost (including the additional cost in relation to the multi-skill training program). Below are the charts illustrating the Group's gross profit from different business segments from 2005 to 2008.



Gross profit by services



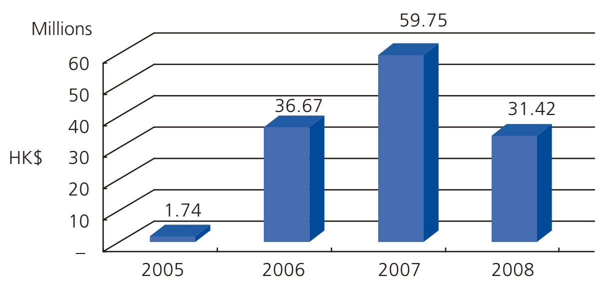
Gross profit margin by services

Administrative Expenses

During the year under review, the total administrative expenses of the Group were approximately HK$60,650,000 equivalent to approximately 25% of the Group's sales in 2008. The administrative expenses to sales ratio was approximately 7% higher than that of the previous year due to the appreciation of RMB, increase in staff cost and the pre-IPO share options expenses.

Profit Attributable to Shareholders

The Group's profit attributable to shareholders for the year ended 31 December 2008 was approximately HK$31,417,000, while that of 2007 was approximately HK$59,747,000, representing a decrease of approximately 47%. The net profit margin also dropped from approximately 28% to approximately 13%. The drop was primarily due to the R&D cost for the new Internet CRM service and remote workstations development, the pre-IPO share options expenses and the loss arising from the change in fair value of the RMB target redemption forward contract. The return to equity was approximately 7% for the year ended 31 December 2008. Below is a chart illustrating the Group's net profits from 2005 to 2008.



Net profit of the Group from 2005 to 2008

FUTURE PROSPECT

In 2009, the Group expects new market opportunities. More clients recognize the importance of the Group's professional service and may cooperate with the Group for lower operation cost, bigger market and higher customer loyalty management. The Group looks forward to entering into service agreements with these potential customers. With its expansion in China market, the Group will be benefited from the opportunities arising from the favorable government policies including the restructuring of telecommunications industry, awarding of 3G licenses and the growth in domestic demand. In addition, the Group has been constantly seeking for business improvement and worked out a plan on launching new services, new programs and entering into new markets. The management continues to diversify the Group's CRM customer base to non-telecommunications industries in order to capture more business opportunities. The exciting new development symbolizes the evolution of CRM management.

Internet CRM

The Group reached an agreement with MSN China in November 2007 for an IM CRM platform and CRM service provision. The management believes this low cost text-based enquiry and flexible-pricing service will attract more users and the Group will enjoy steady business growth through reduction of the Group's operation costs.

Remote Workstations

The R&D team has taken advantage of IP based technology to develop a system that can decentralize its CRM workstations. Rather than having operators come to a central CRM service facility, it will bring the facility to the homes of operators using IP based Internet connection. The remote workstation system is in the process of testing and will be launched in the near future. The Group is optimistic about the eventual benefits of the remote workstation.

New Markets

Due to the favourable policies including the restructuring of China telecommunications industry, awarding of 3G licenses and the growth in domestic demand, China market will provide more opportunities for the development of the Group. The Group plans to continuously broaden its customer base within the telecommunications 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 telecommunications service provider in the PRC. As at the date of this announcement, the Group has yet secured any service contract with China Mobile. The Group is confident of gaining service contracts from provinces outside Guangdong based on the establishment of new outsourcing base in Shenyang City.

Moreover, the Group also seeks to develop the non-telecommunications markets and overseas markets. As both CRM and outsourcing gain increasing recognition, the Directors anticipate there will be a growing demand for quality CRM outsourcing solution from industries including finance, Internet, travel, health care, market research and retail etc., as well as from overseas markets. The Group currently provides CRM services to restaurant, gas, travel, insurance, health care, exhibition and information technology companies and reached service agreement with Canadian Times Telecom.

New Service Centers

The Group aims to expand seating capacity by establishing up to two new CRM service centers. The Group has received in March 2008 a letter from the Yonghe Economic Zone of Guangzhou: Economic and Technological Development District (廣州經濟技術開發區) discussing the possibility of offering government support in the use of land for the establishment of an outsourcing base. The Group is discussing the terms on the aforesaid land use support with the government.

The Group established a subsidiary, Shenyang Elite in Shenbei District of Shenyang City in December 2008 and plans to establish an outsourcing base in the area. The Group's seating capacity is expected to increase to 6,000 seats after the establishment of the aforesaid outsourcing base in Shenyang City.

Acquisition

The Group will continue to seek suitable small and medium sized CRM service providers for acquisition or merger. The Group has previously identified a potential target. However, the negotiation has lapsed because the parties failed to reach an agreement. As at 31 December 2008, the Group had no specific acquisition target.

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 with actual business progress for the period from the date of commencement of dealings in the shares on the GEM to 31 December 2008:

Business objectives as stated in the Prospectus for the period from the date of commencement of dealings in the shares on the GEM to 31 December 2007	Business objectives as stated in the Prospectus for the six months ended 30 June 2008	Business objectives as stated in the Prospectus for the six months ended 31 December 2008	Actual business progress as at 31 December 2008
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.	Identify suitable small to medium sized CRM service centers in other regions which the Group currently has no service sites.	Negotiate with identified centers.	(i) The Group received in March 2008 a letter from the Yonghe Economic Zone of Guangzhou: Economic and Technological Development District (廣州經濟技術開發區) discussing 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. The delay in the construction of the new call centers might constrain the expansion speed of the Group. (ii) The Group established a subsidiary, Shenyang Elite in Shenbei district of Shenyang City in December 2008 and planned to set up an outsourcing base there. (iii) The Group is seeking suitable small to medium sized CRM service providers for acquisition or merger. No specific target has been identified.
Purchase computers, machinery, and equipment and carry out renovation of the new CRM service centers.	Continue to purchase computers, machinery, and equipment for the new CRM service centers.	Carry out maintenance on the existing computers, machinery and equipment to optimize the operating efficiency.	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.

Business objectives as stated in the Prospectus for the period from the date of commencement of dealings in the shares on the GEM to 31 December 2007	**Business objectives as stated in the Prospectus for the six months ended 30 June 2008**	**Business objectives as stated in the Prospectus for the six months ended 31 December 2008**	**Actual business progress as at 31 December 2008**
Recruit and train operators for the new CRM service centers.	Continue to recruit and train new operators to optimize utilization rate of the seating capacity of the newly set-up CRM service centers.	Provide intensive training to all the operators to improve their operating efficiency.	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.	Further cooperate with non-telecommunications companies (including but not limited to the insurance, medical and pharmaceutical as well as marketing research sectors).	Further cooperate with other non-telecommunications companies (including but not limited to the aviation sector).	The Group expanded customer base in non-telecommunications industries. The non-telecommunications segment generated approximately 2% of the Group's revenue for the year ended 31 December 2008. For the details of new customers, please refer to sub-paragraph headed "Acquisition of New Customers" of this announcement.
Reinforce the Group's relationships with existing overseas telecommunications customers (including overseas companies in Canada) for aggressively expanding the Group's overseas business markets.	Expand business in regions (such as Japan, Korea, Taiwan, and Canada) outside China.	Continuously expand business in regions (such as Japan, Korea, Taiwan and Canada) outside China.	The Group is liaising with overseas telecommunications service providers. International outsourcing has become the market trend in recent years. As the trend continues, the Group will further pursue its overseas expansion plan.
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.	Increase the number of subscribers of telecommunications customers and build up customer resources through the application of CRM services for providing customers with new value-added service items.	Reinforce relationships with telecommunications operators, strive to serve more telecommunications customers and enhance customers' service satisfaction and loyalty with the use of the Group's new value-added service.	The Group continues its development in various value-added service segments. The Group is negotiating with a major mobile network operator ("MNO") on a non-telecommunications value-added service outsourcing agreement. Due to the restructuring of telecommunications industry,the Group's cooperation with China Unicom in regions outside Guangdong province has been delayed.

Business objectives as stated in the Prospectus for the period from the date of commencement of dealings in the shares on the GEM to 31 December 2007	Business objectives as stated in the Prospectus for the six months ended 30 June 2008	Business objectives as stated in the Prospectus for the six months ended 31 December 2008	Actual business progress as at 31 December 2008
PROVISION OF NEW SERVICES			
Carry out research on technology and platform for various new Internet-based CRM services.	Launch a new super secretarial service and carry out research and development on technology for supporting the Group's new services.	Continuously develop the new super secretarial service and also carry out maintenance of product technology, implement marketing plan to attract customers.	The new service is in the early stage of introduction.
	Launch a "小E" ("Little E") e-channel service and enhance capability for system programming and input, and database.	Continuously develop the "小E" ("Little E") e-channel service, improve system programming and input, and database as well as implement marketing activities to arouse publicity of products.	The Group reached an agreement with MSN China in November 2007 to provide CRM service on the MSN Messenger. The Group plans to formally launch the new Little E services in the near future.
	Launch Internet-based conventional CRM customer services, improve Internet-based customer services, deal with technology involved therein and continue to develop new services.	Reinforce Internet-based conventional CRM services, improve technology maintenance for Internet-based customer services, develop and retain Internet-based CRM customers.	The new service is still under development.

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 2008, as compared to the amount set out in the section headed "Use of Proceeds" of the Prospectus, is summarized as follows:

	Proposed HK$ million	**Actual** HK$ million
Set up of new CRM service centers in the Southern and Northeastern region		
– Acquisition of land and building	99.7	– (Note 1&2)
– Purchase of equipment and facilities	42.0	– (Note 3)
– Renovation and furnishing	41.3	– (Note 3)
Acquisition of small to medium sized CRM services centers	–	–
Repayment of non-trade balance due to related parties of the Group	30.8	30.8
Development of new Internet CRM services	4.8	1.1
General working capital	13.8	–
Total	232.4	31.9

Notes:

1. The Group received in March 2008 a letter from the Yonghe Economic Zone of Guangzhou: Economic and Technological Development District (廣州經濟技術開發區) discussing the possibility of offering government support in the use of land for the establishment of an outsourcing base. The development might potentially reduce the Group's cost of new CRM service centers.

2. The Group established a subsidiary, Shenyang Elite in Shenbei District of Shenyang City in December 2008. The seating capacity in 2009 is expected to increase to 6,000 with the establishment of the outsourcing CRM service base there.

3. 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.

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 2008, so far as 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 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 Rules 5.46 to 5.68 of the GEM Listing 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%

Name of Directors	Company/ Associated Corporation	Number of shares held Personal Interests	Family Interests	Corporate Interests	Total of Interests	Percentage of Equity
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	96.5%
Ms. Kwok King Wa	Ever Prosper	465	500 (Note 5)	–	965	96.5%
Ms. Li Yin	Ever Prosper	35	–	–	35	3.5%

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 King 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 as at 31 December 2008. Therefore, she will have an attributable interest of 2.53% 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 hold 500 and 465 shares of the share capital of Ever Prosper, with the face 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 2008, 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' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

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

As at 31 December 2008, so far as 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 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 were 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 2008, so far as 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' AND CHIEF EXECUTIVES' 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 the chief executive of the Company 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 or the chief executive of the Company to acquire such rights in any other body corporate.

SHARE OPTIONS SCHEMES

Pre-IPO Share Option Scheme

In order to recognize 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 adopted the pre-IPO Share Option Scheme pursuant to the written resolution of the shareholders of the Company dated 21 September 2007 (the "Pre-IPO Share Option Scheme").

The total number of shares 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 share options granted under the Pre-IPO Share Option Scheme ("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 (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, 60,000,000 Pre-IPO Share Options were granted 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 at 31 December 2008, none of the Pre-IPO Share Option has been exercised and all of the Pre-IPO Share Option holders have maintained their employment with the Group.

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 on GEM on 16 October 2007. The Company did not grant or cancel any options under the Share Option Scheme any time during the year under review, and as at 31 December 2008, 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 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 year ended 31 December 2008.

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 Company and the Group for the year ended 31 December 2008 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 audit the financial statements of the Group for the year ended 31 December 2008 for RMB1,100,000, (ii) to provide certain tax advisory service for approximately HK$100,000, and (iii) to provide other services for approximately HK$100,000. Save as disclosed above, the Company did not engage KPMG for any other non-audit services during the year under review.

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

During the year ended 31 December 2008, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any share of the Company.

During the year ended 31 December 2008, neither the Company nor any of its subsidiaries has redeemed, purchased or cancelled any redeemable securities of the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in the Prospectus and below, during the year and up to the date of this announcement, none of the Directors who 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 quarterly report of PacificNet Inc. for the nine months ended 30 September 2008, Mr. Li Kin Shing, a Director, acquired 1,150,000 Shares in PacificNet Inc. in September 2003, representing approximately 7.21% shareholding in PacificNet Inc. as at 30 September 2008.

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 7.21% 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 (the "Covenantors") executed a deed of non-competition undertaking in favor 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 favorable 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 shall commence 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 2008, 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 PRACTICES

The Company has complied with all the code provisions set out in Appendix 15 – Code on Corporate Governance Practices to the GEM Listing Rules during the year under review. The corporate governance policies adopted by the Company will be set out in the annual report of the Company for the year ended 31 December 2008.

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

13 March 2009

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 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.