

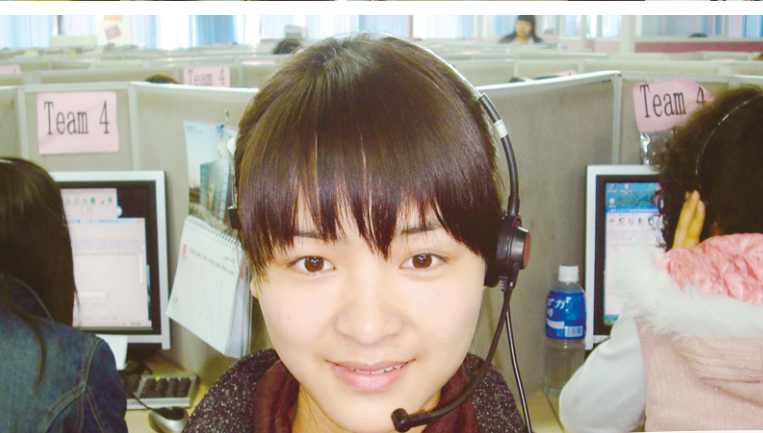
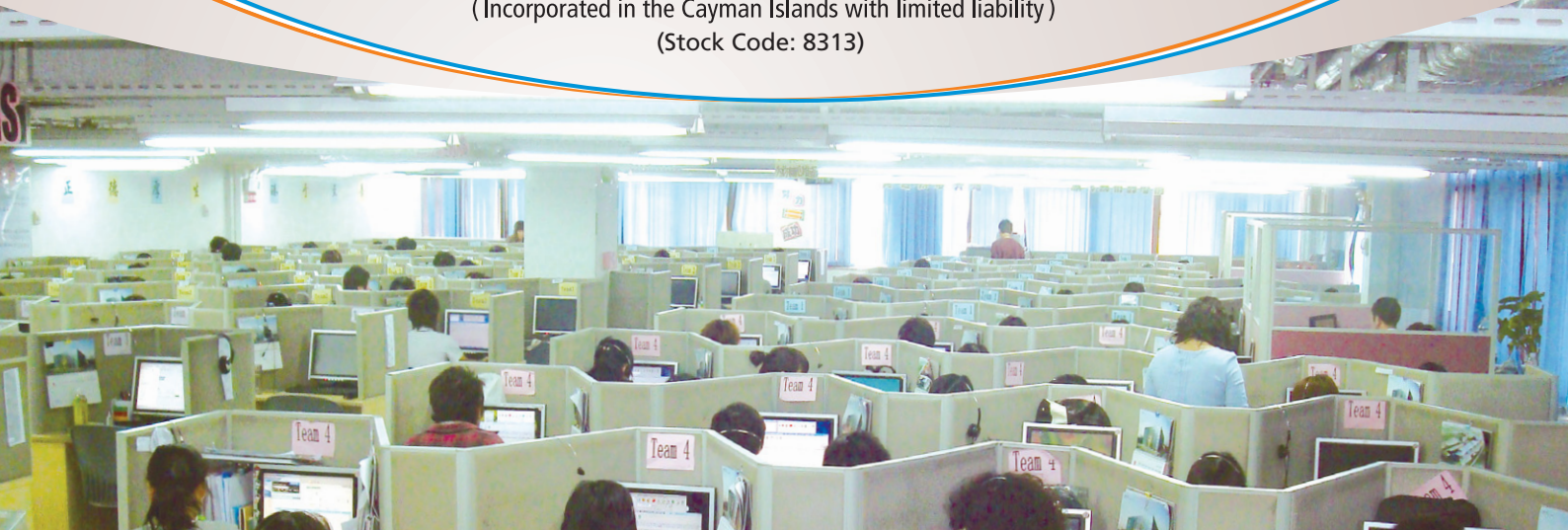


INTERNATIONAL ELITE LTD.

精英國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8313)



First Quarterly Report

2008

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 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.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report. This report for which the directors (the “Directors”) of International Elite Ltd. 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”) 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: (1) the information contained in this report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

Turnover for the three months ended 31 March 2008 was approximately HK\$60,454,000 representing a 41% increase from that of the Last Corresponding Period.

Profit attributable to shareholders of the Company was approximately HK\$12,375,000 representing a 68% increase from that of the Last Corresponding Period.

UNAUDITED FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2008

The board of directors (the "Board") of International Elite Ltd. (the "Company") is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the "Group") for the three months ended 31 March 2008 (the "Relevant Period") together with the unaudited comparative figures for the corresponding period in 2007 (the "Last Corresponding Period") as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	For the three months ended 31 March	
	2008 HK\$'000 (unaudited)	2007 HK\$'000 (unaudited)
Turnover	60,454	42,784
Cost of Sales	(34,446)	(26,331)
Gross profit	26,008	16,453
Other revenue	2,001	13
Administrative expenses	(14,884)	(7,921)
Profit from operations	13,125	8,545
Finance costs	(82)	–
Profit before taxation	13,043	8,545
Income tax	(668)	(1,165)
Profit attributable to shareholders of the Company	12,375	7,380
Earnings per share		
– Basic	HK\$0.01	HK\$0.01
– Diluted	HK\$0.01	HK\$0.01

NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT

1. BASIS OF PREPARATION

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

The preparation of financial statement in conformity with IFRS 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. RECOGNITION OF TURNOVER

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 (“CRM”) services

CRM 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.

3. INCOME TAX

(i) Hong Kong profits tax

The provision for Hong Kong profits tax for the three months ended 31 March 2008 is calculated at 16.5% (Last Corresponding Period: 17.5%) of the estimated assessable profits for the three months ended 31 March 2008.

No provision has been made for Hong Kong profits tax for the three months ended 31 March 2007 as the Group had no assessable profits arising in or derived from Hong Kong during the three months ended 31 March 2007.

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 the financial statement as a result of this announcement.

(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 Group’s PRC incorporated subsidiary, 廣州盛華信息有限公司 (China Elite Info. Co. Limited) (“China Elite”), was 25% throughout the three months ended 31 March 2008 (Last Corresponding Period: 33%). China Elite’s accumulated tax losses brought forward from 31 December 2007 were sufficient to offset its assessable profit for the three months ended 31 March 2008.

4. **DIVIDEND**

The Board does not recommend a dividend for the three months ended 31 March 2008 (Last Corresponding Period: Nil).

5. **EARNINGS PER SHARE**

(a) **Basic**

The calculation of the basic earnings per share for the three months ended 31 March 2008 is based on the consolidated profit attributable to ordinary equity shareholders of the Company of approximately HK\$12,375,000 (Last Corresponding Period: HK\$7,380,000) and the weighted average of 946,200,000 (Last Corresponding Period: 649,800,000) ordinary shares of the Company in issue during the period.

(b) **Diluted**

The calculation of the diluted earnings per share for the three months ended 31 March 2008 is based on the consolidated profit attributable to ordinary equity shareholders of the Company of approximately HK\$12,375,000 (Last Corresponding Period: HK\$7,380,000) and the weighted average number of ordinary shares of 947,301,000 (Last Corresponding Period: 649,800,000), calculated as follows:

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (DILUTED)

	Number of shares	
	Three months ended	
	31 March	
	2008	2007
	'000	'000
Weighted average number of ordinary shares at 31 March	946,200	649,800
Effect of deemed issue of shares under the Company's share option scheme	1,101	–
Weighted average number of ordinary shares (diluted) at 31 March	947,301	649,800

6. CHANGES IN EQUITY

	Share capital (Unaudited) HK\$'000	Statutory reserve (Unaudited) HK\$'000 Note (i)	Exchange reserve (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Capital contribution reserve (Unaudited) HK\$'000 Note (ii)	Capital reserve (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
As at 1 January 2007	14	97	654	-	5,966	-	53,947	60,678
Profit for the period	-	-	-	-	-	-	7,380	7,380
Exchange difference on translation of financial statements of subsidiaries	-	-	647	-	-	-	-	647
Equity settled share-based payment	-	-	-	-	-	-	-	-
As at 31 March 2007	14	97	1,301	-	5,966	-	61,327	68,705
As at 1 January 2008	9,462	97	2,476	326,387	5,966	4,204	107,210	455,802
Profit for the period	-	-	-	-	-	-	12,375	12,375
Exchange difference on translation of financial statements of subsidiaries	-	-	1,403	-	-	-	-	1,403
Equity settled share-based payment	-	-	-	-	-	4,501	-	4,501
As at 31 March 2008	9,462	97	3,879	326,387	5,966	8,705	119,585	474,081

NOTE

(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 the statutory reserve fund until the balance reaches 50% of the registered capital. As at 1 January 2008, the balances of statutory reserve in these subsidiaries had already reached 50% of their respective registered capital and no more transfer was 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. Transfers to this fund must be made before distributing dividends to the Company.

Pursuant to applicable PRC regulations, 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 PRC accounting regulations (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 Relevant Period.

(ii) Capital contribution reserve

The Group rented properties from a shareholder and a related company, and used them as offices free of charge up to 31 December 2006. The fair value of rents were determined by reference to the market price, and the Group recognised the fair value of rents on property as capital contribution reserve. Started from 1 January 2007, the Group pays rents to the shareholder and the related company with reference to the market price.

BUSINESS REVIEW AND PROSPECTS

OPERATING RESULTS

International Elite Ltd. is principally engaged in the provision of outsourcing CRM solutions to companies in the People's Republic of China (the "PRC") and Hong Kong. During the Relevant Period, the Company continued to provide services to major telecommunications network operators including Hutchison Telecommunications (Hong Kong) Limited, Hutchison Global Communications Limited, and China Unicom Limited – Guangdong Branch.

Turnover of the Group for the three months ended 31 March 2008 amounted to approximately HK\$60,454,000, representing an approximate increase of 41% as compared to the Last Corresponding Period. The turnover from the inbound segment accounted for approximately 55% of the total turnover for the three months ended 31 March 2008, and the remaining 45% was attributable to the outbound segment. The gross profit margins of the inbound and the outbound segment for the three months ended 31 March 2008 were approximately 38% and 49% respectively. The higher margin outbound business is expected to become a growing proportion of the Group's revenue generator. Additionally, the Group has enjoyed further success during the Relevant Period expanding the business into the non-telecommunication industries.

The gross profit of the Group for the three months ended 31 March 2008 was approximately HK\$26,008,000. As compared to the Last Corresponding Period, the overall gross profit margin expanded by approximately 5% to approximately 43% for the three months ended 31 March 2008. The improved margin can be explained by increased economy of scale and efficiency, as well as the shift of business focus to the higher margin segment.

The profit attributable to shareholders of the Company amounted to approximately HK\$12,375,000 for the three months ended 31 March 2008, as compared to approximately HK\$7,380,000 for the Last Corresponding Period. The substantial increase was due to increased market opportunities resulting from the growth in labor cost and therefore greater cost pressure for companies to outsource in-house call centers to CRM service specialists that can operate at higher labor efficiency.

DEVELOPMENT

NEW CUSTOMERS

During the Relevant Period, the Group entered into agreements with the following customers to provide CRM service:

Customer	Service	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 Store Company Limited (廣州屈臣氏個人用品商店有限公司)	Customer Hotline Service	March 2008

AWARDS

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

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 markets 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 Shanghai MSN Network Communication Co., Ltd. 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 drastically 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 call 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 Limited 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 Group Co., Ltd., the leading telecommunication service provider in the PRC. The Directors are confident that the Group will begin provision of service to China Mobile Group Co., Ltd. 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. 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 March 2008, the Group has identified one potential target that we intend to acquire in the near future. Details of the acquisition will be announced when the plan is finalized.

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

As at 31 March 2008, so far is known to the Directors, the Directors and the chief executives of the Company 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 Rules 5.46 to 5.68 of the GEM Listing of Rules:

Name of Directors	Company/ Associated corporation	Number of shares held			Total of Interests	Percentage of Equity
		Personal Interests	Family Interests	Corporate Interests		
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	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 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 March 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 5.46 to 5.68 of the GEM Listing Rules.

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

As at 31 March 2008, 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 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 March 2008, 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' AND CHIEF EXECUTIVE'S RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, during the period 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 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 of the Company dated 11 October 2007.

As at 31 March 2008, none of the Pre-IPO Share Options 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 March 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 three months ended 31 March 2008.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the three months ended 31 March 2008, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

COMPETING BUSINESS

During the three months ended 31 March 2008, save as disclosed below, none of the Directors nor management shareholders (as defined under the GEM Listing Rules) of the Company nor their respective associates is 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 or management shareholders (as defined under the GEM Listing Rules) have been appointed or were appointed as directors to represent the interests of the Company and/or the Group.

Mr. Li Kin Shing, a Director, acquired 1,150,000 Shares in PacificNet Inc. in September 2003, which based on the third quarterly report of PacificNet Inc. for the nine months ended 30 September 2007, represented approximately 9.6% shareholding in PacificNet Inc. as at 30 September 2007.

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 9.6% 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 March 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

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 three months ended 31 March 2008.

AUDIT COMMITTEE

The Company has established an audit committee in September 2007 with written terms of reference in compliance with the GEM Listing Rules. 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 the chairman of the audit committee.

The Group's unaudited results for the three months ended 31 March 2008 have been reviewed by the audit committee, which was of the opinion that such results complied with the applicable accounting standards and that adequate disclosures had been made.

By order of the Board
International Elite Ltd.
KWOK KING WA
Chairman

Hong Kong, 14 May 2008

As at the date of this report, the executive directors of the Company are Ms. Kwok King Wa, Mr. Li Kin Shing, Ms. Li Yin, Mr. Wong Kin Wa and 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.