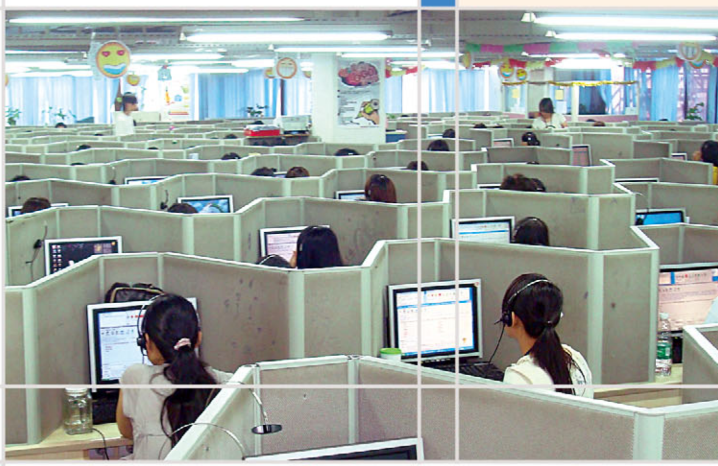
International Elite Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code on the Main Board: 1328)



2009
Interim Report

HIGHLIGHTS

Turnover for the six months ended 30 June 2009 was approximately HK$110,415,000, representing a decrease of approximately 8% from that of the Last Corresponding Period.

Profit attributable to equity shareholders of the Company was approximately HK$24,340,000, representing an increase of approximately 29% from that of the Last Corresponding Period.

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

The board of directors (the "Board") of International Elite Ltd. (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009 (the "Relevant Period") together with the unaudited comparative figures for the corresponding period in 2008 (the "Last Corresponding Period") as follows:

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2009

		For the six months ended 30 June HK$'000	
		2009	2008
	Note	**(unaudited)**	(unaudited)
Turnover	4	**110,415**	119,438
Cost of sales		**(68,282)**	(70,394)
Gross profit		**42,133**	49,044
Other revenue		**6,221**	3,576
Administrative expenses		**(22,923)**	(31,372)
Other expenses		**(46)**	–
Profit from operations		**25,385**	21,248
Finance costs	6(a)	**(128)**	(156)
Profit before taxation	6	**25,257**	21,092
Income tax	7	**(917)**	(2,206)
Profit for the period attributable to equity shareholders of the Company		**24,340**	18,886
Earnings per share			
– Basic and diluted	9	**HK$0.03**	HK$0.02

The notes on pages 6 to 13 form part of this interim financial report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2009

	For the six months ended 30 June HK$'000	
	2009	2008
	(unaudited)	(unaudited)
Profit for the period attributable to equity shareholders of the Company	**24,340**	18,886
Other comprehensive income for the period		
Exchange differences on translation of:		
– financial statements of overseas subsidiaries	**63**	2,532
Total comprehensive income for the period attributable to equity shareholders of the Company	**24,403**	21,418

The notes on pages 6 to 13 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET

at 30 June 2009

	Note	**As at 30 June 2009 (unaudited) HK$'000**	As at 31 December 2008 (audited) HK$'000
Non-current assets			
Property, plant and equipment	10	**15,482**	19,734
Intangible assets		**1,365**	425
Deferred tax assets		**–**	610
Total non-current assets		**16,847**	20,769
Current assets			
Trade and other receivables	11	**76,741**	46,443
Cash at bank and in hand	12	**444,538**	456,549
Total current assets		**521,279**	502,992
Total assets		**538,126**	523,761
Current liabilities			
Derivatives		**–**	2,581
Trade and other payables	13	**8,203**	15,375
Current taxation		**1,213**	1,388
Total current liabilities		**9,416**	19,344
Net current assets		**511,863**	483,648
Total assets less current liabilities		**528,710**	504,417
Non-current liabilities			
Deferred tax liabilities		**119**	229
Net assets		**528,591**	504,188
Equity			
Share capital		**9,462**	9,462
Reserves		**519,129**	494,726
Total equity		**528,591**	504,188

The notes on pages 6 to 13 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2009

	Attributable to equity shareholders of the Company							
	Share capital (Unaudited) HK$'000	**Share premium** (Unaudited) HK$'000	**Capital contribution reserve** (Unaudited) HK$'000	**Capital reserve** (Unaudited) HK$'000	**Statutory reserve** (Unaudited) HK$'000	**Exchange reserve** (Unaudited) HK$'000	**Retained profits** (Unaudited) HK$'000	**Total** (Unaudited) HK$'000
As at 1 January 2008	9,462	326,387	5,966	4,204	97	2,476	107,210	455,802
Waiver of rental payable due to an ultimate shareholder (Note 16(b)(ii))	–	–	702	–	–	–	–	702
Equity settled share-based payment (Note 14)	–	–	–	9,001	–	–	–	9,001
Total comprehensive income for the period	–	–	–	–	–	2,532	18,886	21,418
As at 30 June 2008	9,462	326,387	6,668	13,205	97	5,008	126,096	486,923
As at 1 January 2009	9,462	326,387	6,668	18,101	97	4,846	138,627	504,188
Total comprehensive income for the period	–	–	–	–	–	63	24,340	24,403
As at 30 June 2009	9,462	326,387	6,668	18,101	97	4,909	162,967	528,591

The notes on pages 6 to 13 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2009

	Note	For the six months ended 30 June HK$'000	
		2009 (unaudited)	2008 (unaudited)
Net cash (used in)/generated from operating activities		**(10,335)**	26,113
Net cash (used in)/generated from investing activities		**(1,371)**	802
Net cash used in financing activities		**(128)**	(2,910)
Net (decrease)/increase in cash and cash equivalents		**(11,834)**	24,005
Cash and cash equivalents at 1 January		**416,549**	345,715
Effect of foreign exchange rate changes		**(177)**	451
Cash and cash equivalents at 30 June	12	**404,538**	370,171

The notes on pages 6 to 13 form part of this interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT

1. BACKGROUND OF THE COMPANY

International Elite Ltd. (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 ("Shares") on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

On 16 April 2009, the Company applied to the Stock Exchange for the transfer of listing from the GEM to the Main Board of the Stock Exchange in respect of the 946,200,000 Shares in issue. Approval was granted by the Stock Exchange for the Shares to be listed on the Main Board and to be de-listed from GEM on 15 May 2009. Dealings in the Shares on the Main Board commenced on 25 May 2009.

2. BASIS OF PREPARATION

This interim financial report of the Group has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") adopted by the International Accounting Standards Board ("IASB"). It was authorised for issuance on 14 September 2009.

The interim financial report has been prepared in accordance with substantially the same accounting policies adopted in the 2008 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2009 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2008 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board is included on page 14.

The financial information relating to the financial year ended 31 December 2008 that is included in the interim financial report as being previously reported information does not constitute the Group's annual financial statements prepared under IFRSs for that financial year but is derived from those financial statements. The Group's annual financial statements for the year ended 31 December 2008 are available at the Company's registered office. The independent auditor has expressed an unqualified opinion on those financial statements in the audit report dated 13 March 2009.

3. CHANGE IN ACCOUNTING POLICIES

The IASB has issued one new IFRS, a number of amendments to IFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. The following developments are relevant to the Group's financial statements:

- IFRS 8, Operating Segments
- Revised IAS 1, Presentation of Financial Statements
- Improvements to IFRSs (2008)

The improvements to IFRSs (2008) have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group. The impact of the remainder of these developments is as follows:

– IFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of IFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management. As this is the first period in which the Group has presented segment information in accordance with IFRS 8, additional explanation has been included in the interim financial report which explains the basis of preparation of the information. Corresponding amounts have also been provided on a basis consistent with the revised segment information.

– As a result of the adoption of IAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity holders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

4. 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 ("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.

5. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both services and geographic locations. On first-time adoption of IFRS 8, Operating Segments and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following two reportable segments. No operating segment has been aggregated to form the following reportable segments.

(i) Inbound services: this segment includes customer hotline services and built-in secretarial services, a personalised message taking services.

(ii) Outbound services: this segment includes telesales services and market research services.

(a) Segment results and assets

In accordance with IFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's senior executive management monitors the results and assets attributable to each reportable segment on the following basis:

Segment assets include all tangible, intangible assets and current assets with the exception of deferred tax assets and other assets.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments including depreciation and amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "gross profit of operating segment" i.e. "turnover less cost of sales". Items not specifically attributed to individual segment such as directors' and auditors' remuneration and other head office or administrative expenses are excluded from the calculation of segment profit.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	For the six months ended 30 June 2009			For the six months ended 30 June 2008		
	Inbound services HK$'000 (unaudited)	**Outbound services HK$'000 (unaudited)**	**Total HK$'000 (unaudited)**	Inbound services HK$'000 (unaudited)	Outbound services HK$'000 (unaudited)	Total HK$'000 (unaudited)
Revenue from external customers	**57,547**	**52,868**	**110,415**	67,156	52,282	119,438
Reportable segment revenue	**57,547**	**52,868**	**110,415**	67,156	52,282	119,438
Reportable segment profit (gross profit)	**18,809**	**23,324**	**42,133**	23,915	25,129	49,044
Reportable segment assets	**46,165**	**32,359**	**78,524**	39,805	29,761	69,566
Addition to non-current segment assets during the period	**49**	**–**	**49**	380	394	774

(b) Reconciliations of reportable segment revenue, profit or loss and assets

	For the six months ended 30 June HK$'000	
	2009 (unaudited)	2008 (unaudited)
Revenue		
Reportable segment revenue	**110,415**	119,438
Consolidated revenue	**110,415**	119,438
Profit		
Reportable segment profit	**42,133**	49,044
Other revenue and net income	**6,221**	3,576
Unallocated depreciation and amortisation	**(2,757)**	(3,839)
Finance costs	**(128)**	(156)
Unallocated head office and administrative expenses	**(20,212)**	(27,533)
Consolidated profit before taxation	**25,257**	21,092
Assets		
Reportable segment assets	**78,524**	69,566
Deferred tax assets	**–**	2,478
Cash at bank and in hand	**444,538**	410,171
Unallocated head office and other assets	**15,064**	20,233
Consolidated total assets	**538,126**	502,448

6. PROFIT BEFORE TAXATION

		For the six months ended 30 June HK$'000	
		2009 (unaudited)	2008 (unaudited)
(a)	Finance costs:		
	Finance charges	**128**	156
(b)	Staff costs:		
	Contributions to defined contribution retirement plan	**5,991**	5,369
	Equity settled share-based payment expenses	**–**	9,001
	Salaries, wages and other benefits	**62,407**	64,531
		68,398	78,901
(c)	Other items:		
	Depreciation	**3,709**	4,838
	Amortisation of intangible assets	**161**	–
	Taxes other than income tax	**3,149**	3,268
	Repairs and maintenance	**450**	761
	Operating lease charges in respect of		
	– rental of building, offices and dormitories	**2,757**	2,605
	– hire of transmission lines	**3,775**	3,523
	Research and development expenses	**1,253**	–

7. INCOME TAX

	For the six months ended 30 June HK$'000	
	2009 (unaudited)	2008 (unaudited)
Provision for Hong Kong profits tax	**417**	252
Deferred taxation	**500**	1,954
Total income tax expense	**917**	2,206

(i) Hong Kong profits tax

The provision for Hong Kong profits tax was calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the six months ended 30 June 2009.

(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% during the period (2008: 25%). China Elite had no assessable profit for the six months ended 30 June 2009 as it has reported tax losses brought forward from 31 December 2008, which were sufficient to offset its assessable profit for the six months ended 30 June 2009.

The applicable tax rate of the Company's another subsidiary in the PRC, namely Shenyang China Elite Info. Services Co., Ltd. 瀋陽盛華信息服務有限公司 ("Shenyang Elite"), established in December 2008, was 25% during the six months ended 30 June 2009 (2008: 25%). Shenyang Elite had incurred tax losses for the six months ended 30 June 2009 and the year ended 31 December 2008.

8. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2009. No interim dividend was paid in respect of the six months ended 30 June 2008.

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2009 was based on the profit attributable to ordinary equity shareholders of the Company of approximately HK$24,340,000 (Last Corresponding Period: approximately HK$18,886,000) and the weighted average of 946,200,000 shares in issue during the period (Last Corresponding Period: 946,200,000).

(b) Diluted earnings per share

Diluted earnings per share are the same as the basic earnings per share for the six months ended 30 June 2008 and 2009 as the inclusion of the effect of deemed issue of ordinary shares under the share options scheme would have an anti-dilutive effect on the basic earnings per share.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2009, the Group acquired equipment with an aggregate cost of approximately HK$596,000 (Last Corresponding Period: approximately HK$2,636,000). Items of equipment with net book value of approximately HK$46,000 were disposed of during the six months ended 30 June 2009 (Last Corresponding Period: nil) resulting a loss on disposal of approximately HK$46,000 (Last Corresponding Period: nil).

11. TRADE AND OTHER RECEIVABLES

	As at 30 June 2009 (unaudited) HK$'000	As at 31 December 2008 (audited) HK$'000
Trade receivables	**74,232**	44,511
Deposits, prepayments and other receivables	**2,509**	1,932
	76,741	46,443

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.

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

	As at 30 June 2009 (unaudited) HK$'000	As at 31 December 2008 (audited) HK$'000
Aged within 1 month	**17,445**	25,028
Aged over 1 month to 3 months	**27,800**	14,949
Aged over 3 months to 6 months	**28,519**	2,651
Aged over 6 months to 1 year	**468**	1,883
	74,232	44,511

12. CASH AT BANK AND IN HAND

	As at 30 June 2009 (unaudited) HK$'000	As at 31 December 2008 (audited) HK$'000
Fixed deposits	**262,621**	362,319
Cash in hand and demand deposits	**181,917**	94,230
Cash at bank and in hand in the consolidated balance sheet	**444,538**	456,549
Fixed deposits held as security for letters of credit	**(40,000)**	(40,000)
Cash and cash equivalents in the consolidated cash flow statement	**404,538**	416,549

13. TRADE AND OTHER PAYABLES

	As at 30 June 2009 (unaudited) HK$'000	As at 31 December 2008 (audited) HK$'000
Creditors and accrued charges	**8,203**	15,375

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

	As at 30 June 2009 (unaudited) HK$'000	As at 31 December 2008 (audited) HK$'000
Due within 3 months or on demand	**4,760**	10,013

14. EQUITY SETTLED SHARE-BASED PAYMENT

The Company has two share option schemes, namely the Share Option Scheme and the Pre-IPO Share Option Scheme, which were adopted on 21 September 2007 whereby the Board was authorised, at its discretion, to invite employees of the Group, including directors of any company in the Group, to take up options at a cash consideration of HK$1.00 for each grantee to subscribe for shares of the Company. As at 30 June 2009, no option was granted under the Share Option Scheme. The exercise price of the share options under the Pre-IPO Share Option Scheme was determined based on the new issue price of the Company's shares on 16 October 2007 (the "Listing Date"). The options vest after one year from the Listing Date and are then exercisable within a period of six months. Each option gives the holder the right to subscribe for one ordinary share in the Company.

All Pre-IPO share options granted by the Company under its Pre-IPO Share Option Scheme had not been exercised and such Pre-IPO share options ceased to have any effect after the end of the exercise period on 15 April 2009.

15. COMMITMENTS

Capital commitments outstanding not provided for in the interim financial report were as follows:

	As at 30 June 2009 (unaudited) HK$'000	As at 31 December 2008 (audited) HK$'000
Contracted for	**19**	440

The total future minimum lease payments under non-cancellable operating leases payable are as follows:

	As at 30 June 2009 HK$'000 (unaudited)		As at 31 December 2008 HK$'000 (audited)	
	Properties	**Transmission lines**	Properties	Transmission lines
Within 1 year	**663**	**4,039**	1,324	3,113
Over 1 year but within 2 years	**–**	**1,530**	–	864
Over 2 years but within 3 years	**–**	**550**	–	–
	663	**6,119**	1,324	3,977

The Group is the lessee in respect of a number of properties and transmission lines held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

16. MATERIAL RELATED PARTY TRANSACTIONS

(a) Relationship between the Group and related parties

(i) *Ultimate shareholders of the Group*

Li Kin Shing
Kwok King Wa
Li Yin

(ii) *Subject to common control from ultimate shareholders*

China-Hong Kong Telecom Ltd.
Directel Communications Ltd.
Directel Limited.
Elitel Limited
Fastary Limited.
Jandah Management Limited
Talent Information Engineering Co., Ltd.

(iii) *Related companies of ultimate shareholders*

Guangdong Zhitong Investment Ltd.
Guangdong Zhitong Telecommunications Limited
Guangdong Zhitong Telecommunications Paging Limited
Guangdong Zhitong Telecommunications Service Company Limited
Shenzhen Zhitong Mobile Telecommunications Limited

(b) Transactions

The Group entered into the following material related party transactions:

		For the six months ended 30 June HK$'000	
		2009 (unaudited)	2008 (unaudited)
Sales	(i)	**3,937**	6,090
Rental of properties	(ii)	**663**	644
Waiver of rental payable of properties	(ii)	**–**	702

Notes:

(i) Sales to related parties mainly represent rendering service of Customer Relationship Management. The selling prices are determined based on prevailing price of similar services to independent third party customers.

(ii) The Group rented properties from an ultimate shareholder, Li Kin Shing, and a related party, Talent Information Engineering Co., Ltd.. The rental was determined with reference to the market price. During the six months ended 30 June 2008, rental payable related to the period from January 2007 to September 2007 amounting to HK$702,000 was waived by the ultimate shareholder, Li Kin Shing, and was accounted for as a capital contribution.

The directors of the Company (the "Directors") are of the opinion that the above transactions with related parties were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.

(c) Balances with related parties

The outstanding balances arising from the above transactions at the balance sheet date are as follows:

	As at 30 June 2009 (unaudited) HK$'000	As at 31 December 2008 (audited) HK$'000
Amounts due from an ultimate shareholder and related parties – trade	**2,475**	1,633

The amounts due from an ultimate shareholder and related parties are unsecured, interest free and are repayable on demand. No allowance for doubtful debts has been made in respect of the amounts due from an ultimate shareholder and related parties.

(d) Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid employees, is as follows:

	For the six months ended 30 June HK$'000	
	2009 (unaudited)	2008 (unaudited)
Short-term employee benefits	**1,864**	1,841
Contribution to retirement benefit schemes	**81**	79
Equity compensation benefits	**–**	8,588
	1,945	10,508

The remuneration is included in "staff costs" (see note 6(b)). The Company has two share option schemes, namely the Share Option Scheme and the Pre-IPO Share Option Scheme.

17. CONTINGENT LIABILITIES

As at 30 June 2009, the Directors were not aware of any material contingent liabilities.

18. COMPARATIVE FIGURES

As a result of the application of IAS 1 (revised 2007), Presentation of financial statements, certain comparative figures have been adjusted to conform to current period's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 3.

REVIEW REPORT TO THE BOARD OF DIRECTORS

INTERNATIONAL ELITE LTD.
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 1 to 13 which comprises the consolidated balance sheet of International Elite Ltd. as of 30 June 2009 and the related consolidated income statement, consolidated statement of comprehensive income and consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim financial reporting" issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim financial reporting".

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road, Central, Hong Kong

14 September 2009

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is a CRM outsourcing service provider with business focus in Hong Kong, Macau and the PRC markets. CRM is the process of providing services to customers with the use of communication and computer networks. Services provided by the Group are classified into inbound and outbound services. During the period under review, the Group continued to provide services to established telecommunications service providers, including Hutchison Telecommunications, Hutchison Global, China Unicom Guangdong, and PCCW Mobile. Besides, the management continues to diversify the Group's CRM customer base to non-telecommunications industries, the clients of which include, but not limited to, KFC and Guangzhou Watsons.

FINANCIAL REVIEW

Turnover of the Group for the six months ended 30 June 2009 amounted to approximately HK$110,415,000, representing a decrease of approximately 8% as compared to that of the Last Corresponding Period. Turnover from the inbound segment accounted for approximately 52% of the total turnover for the six months ended 30 June 2009, and the remaining approximately 48% was attributable to the outbound segment. The gross profit margin of the inbound and the outbound segment for the six months ended 30 June 2009 was approximately 33% and 44% respectively. 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. Though the Group has successfully expanded its business to non-telecommunications industries, the decrease in turnover from telecommunications service providers due to the Financial Tsunami was in excess of the increase in turnover from customers in non-telecommunications industries for the six months ended 30 June 2009.

The gross profit of the Group for the six months ended 30 June 2009 was approximately HK$42,133,000, representing a decrease of approximately 14% as compared to that of the Last Corresponding Period. The gross profit margin decreased by approximately 3% to approximately 38% for the six months ended 30 June 2009. The decrease in gross profit margin was primarily due to the appreciation of RMB and decrease in operators' efficiency.

The profit attributable to the equity shareholders of the Company for the six months ended 30 June 2009 was approximately HK$24,340,000, representing an increase of approximately 29% as compared to that of the Last Corresponding Period. The net profit margin increased by approximately 6% to approximately 22% or decreased by approximately 1% if the pre-IPO share options expenses for the six months ended 30 June 2008 of approximately HK$9,001,000 were excluded. The decrease was primarily due to the appreciation of RMB, decrease in operators' efficiency and increase in research and development ("R&D") expenses for the new Internet CRM service and remote workstations development.

BUSINESS REVIEW

CUSTOMERS IN TELECOMMUNICATIONS INDUSTRIES

During the period under review, the Group continued to provide services to established telecommunications service providers, however, due to the Financial Tsunami, turnover of the Group from telecommunications service providers for the six months ended 30 June 2009 decreased by approximately 8% as compared to that of the Last Corresponding Period.

CUSTOMERS IN NON-TELECOMMUNICATIONS INDUSTRIES

During the period under review, the Group continued to develop its CRM customer base to non-telecommunications industries in order to capture more business opportunities and successfully acquired the service contract from Guangdong Development Bank Wu Yang Xin Cheng Branch.

MULTI-SKILL TRAINING

The Group provided various training programs for staff, including a multi-skill-and-management training program. This 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 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.

ACQUISITION OF NEW CUSTOMERS

During the period under review, the Group has entered into a service contract with the following customer on the provision of CRM services:

Customer	Service	Date
Guangdong Development Bank Wu Yang Xin Cheng Branch	Telesales	March 2009

AWARDS AND CERTIFICATION

In June 2009, China's Best Customer Service Appraisal Committee conferred the "Best Outsourcing Service Provider in China" award to China Elite.

FUTURE PROSPECT

The Group strives to increase the penetration in the China market and the possibility of developing non-telecommunications markets. In response to the impact of the Financial Tsunami, the Group has formulated plans to launch new services including Internet CRM and remote workstations and entered new markets. Having taken into account the current policies and the direction of modern CRM development, these new development projects are expected to reinforce the Group's income growth trends.

INTERNET CRM

The Group reached an agreement with MSN China in November 2007 for an Instant Messaging ("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 operating costs.

The introduction of Internet CRM service creates unique value for our customers. The Group believes that by changing the cost structure and increasing revenue source, the new service will enhance profit margin for the Group.

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 expected to be launched in the near future. The Group believes that the introduction of remote workstations will improve the Group's cost structure.

NEW MARKETS

Due to the favorable 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 provinces other than Guangdong. The Group is confident of gaining service contracts from provinces outside Guangdong upon the establishment of its 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 travel, insurance, health care and information technology companies in addition to the service agreement entered 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 negotiating with the government on the terms of the aforesaid land use support.

The Group established a subsidiary, Shenyang Elite in Shenbei District of Shenyang City in December 2008 and plans to establish an outsourcing base in that 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. As at 30 June 2009, the Group had no specific acquisition target.

CAPITAL STRUCTURE

The Group adopts a sound financial policy, and the surplus cash is deposited at the bank to facilitate extra operating expenditures or investment. The management carries out financial forecast on a regular basis with reference to the business plan as stated in the prospectus of the Company dated 11 October 2007 (the"Prospectus"). As at 30 June 2009, the Group had no outstanding loan or borrowing, and the gearing ratio (being ratio of total long term borrowings to equity) was therefore inapplicable. As at 30 June 2009, the Group's balance of cash and deposits was approximately HK$444,538,000, which was primarily attributable to the proceeds from the IPO and earnings.

LIQUIDITY AND FINANCIAL POSITION

	As at 30 June 2009 HK$'000 (unaudited)	As at 31 December 2008 HK$'000 (unaudited)
Cash in hand and demand deposits	**181,917**	94,230
Fixed deposits	**262,621**	322,319
Fixed deposits held as security for letter of credit	**40,000**	40,000
Total cash and deposit	**444,538**	456,549

The Group normally finances its operations with internally generated cash flows. Cash position decreased by approximately HK$12,011,000 during the six months ended 30 June 2009.

The current ratio was 55.36 as at 30 June 2009, higher than 26.00 as at 31 December 2008. Quick ratio was inapplicable as the Group did not have any inventory.

FOREIGN EXCHANGE RATE RISK

The Group is exposed to limited foreign exchange rate risk as the Group's sales, assets and liabilities are principally denominated in RMB and Hong Kong dollars.

In August 2008, the Group entered into a RMB target redemption forward contract with a view to minimizing currency exposure of HKD against RMB. The RMB target redemption forward contract was settled in HKD by reference to the gains or losses on the RMB valuation of a notional amount of HKD50,000,000 as of 13 May 2009 against a forward rate fixed at 0.84750. The RMB target redemption forward contract is a foreign exchange contract which does not qualify for hedge accounting. It has fixed forward rate, notional amount and redemption date, but is not an accumulator contract. Due to the depreciation of RMB against HKD in late 2008 and based on the quoted exchange rate of 0.89912 on 31 December 2008, the Group recorded an unrealized loss of approximately HKD2,581,000 on the RMB target redemption forward contract as of 31 December 2008 which had been taken into account in the Group's results for the financial year ended 31 December 2008.

On 13 May 2009, the settlement rate for RMB/HKD had been fixed at 0.88043. With the recent appreciation of RMB against HKD, the Group recorded a gain of approximately HKD711,000 during the six months ended 30 June 2009 and a total realized loss of approximately HKD1,870,000 on the RMB target redemption forward contract upon the valuation of RMB against HKD on 13 May 2009.

ASSETS MORTGAGE

The Group has no outstanding asset mortgage as at 30 June 2009.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2009.

SIGNIFICANT ACQUISITION, DISPOSAL OR INVESTMENT

During the period under review, the Group closely observed the market in search of suitable service centers for acquisition or merger. As at 30 June 2009, the Group had no specific target.

GEARING RATIO AND INTEREST CAPITALIZATION

The Group had no outstanding bank loans or other loans with interest as at 30 June 2009. During the period under review, no interest was capitalized by the Group.

CAPITAL COMMITMENTS

The capital commitments outstanding as at 30 June 2009 not provided for in the financial statement was approximately HK$19,000 (31 December 2008: approximately HK$440,000).

SEGMENT REPORTING

On first-time adoption of IFRS 8, Operating Segments and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified two reportable segments which are inbound services and outbound services. Detail of segment reporting is set out in note 5 to this report.

STAFF AND REMUNERATION POLICY

As at 30 June 2009, the Group had 3,850 employees (31 December 2008: 4,336 employees). Among them, 3,834 employees worked in the PRC, 14 in Hong Kong and 2 in Macau.

Breakdown of the Group's staff by functions as at 30 June 2009 is as follows:

Function	**As at 30 June 2009**	As at 31 December 2008
Management	**13**	13
Operation	**3,676**	4,175
Financial, administration, and human resources	**68**	64
Sales and marketing	**20**	19
Research and development	**34**	28
Repairs and maintenance	**39**	37
Total	**3,850**	4,336

The total staff remuneration including directors' remuneration paid by the Group for the six months ended 30 June 2009 was approximately HK$68,398,000 (Last Corresponding Period: approximately HK$78,901,000). The remuneration paid to the staff, including the Directors, is based on their qualification, experience, performance, and market rates, so as to maintain a competitive remuneration level. The Group also offers various staff welfare, including housing fund, social insurance and medical insurance. We believe that at International Elite Ltd., our employees are our most valuable asset.

DISCLOSURE UNDER CHAPTER 13 OF THE LISTING RULES

The Directors confirmed that they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules during the period under review.

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 30 June 2009:

Business progress 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	Business objectives as stated in the Prospectus for the six months ended 30 June 2009	Actual business progress as at 30 June 2009
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.	Carry out acquisitions under reasonable terms and conditions.	(i) The Group continued discussing the possibility of gaining the government support in the use of land for the establishment of an outsourcing base. (ii) The Group planned to set up an outsourcing base in the Shenbei district of Shenyang City. (iii) The Group was seeking suitable small to medium sized CRM service providers for acquisition or merger.
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.	Purchase new machinery and equipment and carry out renovation of the newly acquired CRM service centres.	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 had been postponed accordingly.
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.	Recruit and train operators for the newly acquired CRM service centres.	Due to the delay in setting up the new CRM service centers, the operator recruitment and training were pending.

Business progress 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	Business objectives as stated in the Prospectus for the six months ended 30 June 2009	Actual business progress as at 30 June 2009
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).	Further cooperate with other non-telecommunications companies (including but not limited to travel agencies, hotels and the retail sector).	The Group kept expanding and cooperating with non-telecommunications customers. The non-telecommunications segment generated approximately 2% of the Group's revenue for the six months ended 30 June 2009. For the details of new customers, please refer to sub-paragraph headed "Acquisition of New Customers" of this report.
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.	Reinforce relationships with overseas telecommunications customers, expand overseas client base into non-telecommunications market and continuously develop other overseas markets.	The Group was 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.	Through the cooperation with telecommunications customers and aggressive development of non–telecommunications customers as well as the support of data analysis, establish more comprehensive value-added services needed in everyday life.	The Group continued its development in various value-added service segments. The Group was negotiating with a major mobile network operator ("MNO") on a non-telecommunications value-added service outsourcing agreement. Due to the restructuring of China telecommunications industry, launching of 3G services, the Group aimed at increasing business opportunities and cooperation with China Unicom for 3G and data services, and in regions outside Guangdong Province.

Business progress 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	Business objectives as stated in the Prospectus for the six months ended 30 June 2009	Actual business progress as at 30 June 2009
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.	Explore and retain customers of the new super secretarial service, arouse publicity in the consumer market and develop value-added services for products.	The new service was in the 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.	Expand the system database on the "小E " ("Little E") e-channel service, implement marketing activities to arouse publicity and development of value-added services for products.	The Group reached an agreement with MSN China in November 2007 to provide CRM service on the MSN Messenger. The Group planned 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.	Reinforce Internet-based CRM services, improve technology maintenance for Internet-based customer services, develop and retain Internet-based CRM customers and set up a customer database.	The new service was still under development.

USE OF PROCEEDS

The actual use of proceeds for the period from the date of commencement of dealings of the Shares on the GEM to 30 June 2009, 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	16.0	–
Repayment of non-trade balance due to related parties of the Company	30.8	30.8
Development of new Internet CRM services	8.1	3.3
General working capital	20.7	–
Total	258.6	34.1

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 gaining the 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 had also been postponed accordingly.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2009. No interim dividend was paid in respect of the six months ended 30 June 2008.

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

As at 30 June 2009, so far as it is known to the Directors, the Directors and the chief executive of the Company had the following interests and short positions in the shares, underlying shares or the debentures of the 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 the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules:

		Number of shares held				
Name of Directors	**Company/ Associated corporation**	**Personal Interests**	**Family Interests**	**Corporate Interests**	**Total of Interests**	**Percentage of Equity**
Mr. Li Kin Shing	Company (Note 1)	–	–	–	684,000,000	72.29%
Ms. Kwok King Wa	Company (Note 2)	–	–	–	684,000,000	72.29%
Ms. Li Yin	Company (Note 3)	–	–	–	–	–
Mr. Li Kin Shing	Ever Prosper International Limited ("Ever Prosper") (Note 4)	500	465	–	965	96.5%
Ms. Kwok King Wa	Ever Prosper (Note 4)	465	500	–	965	96.5%
Ms. Li Yin	Ever Prosper (Note 3)	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. Therefore, she will have an attributable interest of 2.53% of the issued share capital of the Company.

4. 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 30 June 2009, 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 the Model Code.

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

As at 30 June 2009, 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 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%

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.

Save as disclosed above, as at 30 June 2009, 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 EXECUTIVES' 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 had 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 (the "Pre-IPO Share Option Scheme") pursuant to the written resolution of the shareholders of the Company dated 21 September 2007.

The total number of shares in respect of which share options (the "Pre-IPO Share Options") might be granted under the Pre-IPO Share Option Scheme should 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 should 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 would 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) should 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 were fully disclosed in the Prospectus.

All Pre-IPO Share Options granted by the Company under its Pre-IPO Share Option Scheme had not been exercised and such Pre-IPO Share Options ceased to have any effect after the end of the exercise period on 15 April 2009.

SHARE OPTION SCHEME

The Company had conditionally adopted the share option scheme in the written resolutions of the shareholders of the Company passed on 21 September 2007 (the "GEM Share Option Scheme").

The GEM Share Option Scheme became unconditional after the listing of the Company's shares on the GEM on 16 October 2007. Upon the listing of the Shares being transferred from GEM to the Main Board, the GEM Share Option Scheme had been terminated and no further option would be offered or granted thereunder. No share options under the GEM Share Option Scheme had been granted.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct which is not lenient than Appendix 10 of the Listing Rules. Specific enquiry to all Directors has been made and Directors have complied with the required standard set out in the code of conduct during the six months ended 30 June 2009.

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

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any share of the Company.

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries has redeemed, purchased or cancelled any redeemable securities of the Company.

COMPETING BUSINESS

Save as disclosed in the Prospectus and below, during the six months ended 30 June 2009 and up to the date of this report, 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.

Based on the quarterly report of PacificNet Inc. ("PacificNet") for the nine months ended 30 September 2008, the 1,150,000 shares in PacificNet acquired by Mr. Li Kin Shing, an executive Director, in September 2003, represented approximately 7.21% shareholding in PacificNet as of 30 September 2008.

According to its financial reports, PacificNet, 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 include business process outsourcing such as CRM centers, CRM and telemarketing services, and IT outsourcing services including software programming and development services. In April 2008, PacificNet consummated the sale of its subsidiary, PacificNet Epro Holdings Limited, which is primarily engaged in the business of providing call centre telecom and CRM services as well as other business outsourcing services in China. However, the Directors consider that it is uncertain as to whether or not PacificNet will continue to develop and/or operate CRM outsourcing services. Accordingly, the Directors are of the view that there is a potential risk that services provided by PacificNet 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 and the Group is capable of carrying on its business independently of and at arms length from the business of PacificNet as (i) Mr. Li Kin Shing is only an investor in PacificNet and he has no management role or duty in PacificNet; (ii) to the best knowledge of the Directors, all the directors and senior management of PacificNet are independent of and not connected with any Directors, chief executive and substantial shareholders (as defined under the Listing Rules) of the Company or any of its subsidiaries and their respective associates and the Board operates independently from the board of directors of PacificNet; and (iii) the Group is not operationally or financially dependent on PacificNet.

The Directors confirm that Mr. Li Kin Shing has no absolute right to appoint a director in PacificNet. As Mr. Li Kin Shing holds no board representation or management position and only holds a 7.21% minority interest in PacificNet, it is highly unlikely that Mr. Li Kin Shing's interest in PacificNet would influence the decision-making of the board of directors or management of PacificNet. 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.

Mr. Li Kin Shing has excluded his interests in PacificNet from the Group since:

1. the Group is a CRM outsourcing service provider whereas PacificNet is also engaged in the business of providing telecommunications value-added services, telecommunications and gaming products and services as well as IT outsourcing services;

2. the Group focuses on the Hong Kong, Macau and the PRC markets whereas PacificNet targets customers in the whole Asian market; and

3. given that Mr. Li Kin Shing only holds approximately 7.21% minority interest without any board representation or management position in PacificNet, injection of his interest in PacificNet into the Group does not provide a material benefit to the Group as a whole.

As of the date of this report, Mr. Li Kin Shing confirmed that he had no intention to inject his interest in PacificNet into the Group and he had no intention to increase his shareholding in PacificNet.

Ever Prosper, Mr. Li Kin Shing, Ms. Kwok King Wa and Ms. Li Yin (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.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2009.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in accordance with the requirements of the CG Code. The audit committee consists of the three independent non-executive Directors, 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 audit committee of the Company has reviewed the Group's unaudited consolidated interim results for the six months ended 30 June 2009 and is of the opinion that the unaudited consolidated interim results complied with applicable accounting standards, Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 14 September 2009

As at the date of this report, the executive Directors 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 are Mr. Cheung Sai Ming, Mr. Chen Xue Dao and Mr. Tang Yue.