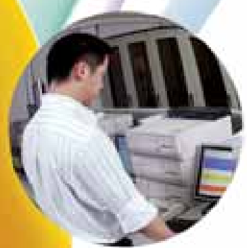
INTERNATIONAL ELITE LTD.
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1328)

Interim Report 2010



HIGHLIGHTS

Turnover for the six months ended 30 June 2010 was approximately HK$104,081,000, representing a decrease of approximately 6% from that of the Last Corresponding Period.

Profit attributable to equity shareholders of the Company was approximately HK$15,887,000, representing a decrease of approximately 35% from that of the Last Corresponding Period.

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

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 2010 (the "Relevant Period") together with the unaudited comparative figures for the corresponding period in 2009 (the "Last Corresponding Period") as follows:

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2010

		For the six months ended 30 June HK$'000	
	Note	**2010 (unaudited)**	2009 (unaudited)
Turnover	4	**104,081**	110,415
Cost of sales		**(68,667)**	(68,282)
Gross profit		**35,414**	42,133
Other revenue		**4,478**	5,464
Administrative expenses		**(23,979)**	(22,923)
Other net income		**–**	711
Profit from operations		**15,913**	25,385
Finance costs	6(a)	**(17)**	(128)
Share of losses of an associate		**(14)**	–
Profit before taxation	6	**15,882**	25,257
Income tax	7	**5**	(917)
Profit for the period attributable to equity shareholders of the Company		**15,887**	24,340
Earnings per share			
– Basic and diluted	9	**HK$0.02**	HK$0.03

The notes on pages 6 to 14 form part of this interim financial report. Details of dividends payable to equity shareholders of the company are set out in note 8.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2010

	For the six months ended 30 June HK$'000 2010 (unaudited)	2009 (unaudited)
Profit for the period attributable to equity shareholders of the Company	**15,887**	24,340
Other comprehensive income for the period		
Exchange differences on translation of:		
– financial statements of overseas subsidiaries	**1,566**	63
Total comprehensive income for the period attributable to equity shareholders of the Company	**17,453**	24,403

The notes on pages 6 to 14 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET

at 30 June 2010

	Note	**As at 30 June 2010 (unaudited) HK$'000**	As at 31 December 2009 (audited) HK$'000
Non-current assets			
Property, plant and equipment	10	**57,744**	59,772
Intangible assets		**1,053**	1,205
Interest in an associate		**390**	404
Deferred tax assets		**8**	4
Total non-current assets		**59,195**	61,385
Current assets			
Trade and other receivables	11	**90,703**	71,773
Cash at bank and in hand	12	**382,001**	422,990
Total current assets		**472,704**	494,763
Total assets		**531,899**	556,148
Current liabilities			
Trade and other payables	13	**9,316**	12,172
Current taxation		**149**	1,395
Total current liabilities		**9,465**	13,567
Net current assets		**463,239**	481,196
Total assets less current liabilities		**522,434**	542,581
Non-current liabilities			
Deferred tax liabilities		**14**	11
Net assets		**522,420**	542,570
Equity			
Share capital		**9,462**	9,462
Reserves		**512,958**	533,108
Total equity		**522,420**	542,570

The notes on pages 6 to 14 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2010

	Attributable to equity shareholders of the Company							
	Share capital HK$'000	**Share premium** HK$'000	**Capital contribution reserve** HK$'000	**Capital reserve** HK$'000	**Statutory reserve** HK$'000	**Exchange reserve** HK$'000	**Retained profits** HK$'000	**Total equity** HK$'000
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
As at 1 January 2010	9,462	326,387	6,668	18,101	97	5,087	176,768	542,570
Profit tax of a subsidiary borne by an ultimate shareholder *(Note 15b(iv))*	–	–	245	–	–	–	–	245
Total comprehensive income for the period	–	–	–	–	–	1,566	15,887	17,453
Dividends approved in respect of previous year *(Note 8)*	–	–	–	–	–	–	(37,848)	(37,848)
As at 30 June 2010	9,462	326,387	6,913	18,101	97	6,653	154,807	522,420

The notes on pages 6 to 14 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2010

	Note	For the six months ended 30 June HK$'000 2010 (unaudited)	2009 (unaudited)
Net cash used in operating activities		**(1,348)**	(10,335)
Net cash used in investing activities		**(2,048)**	(1,371)
Net cash used in financing activities		**(37,865)**	(128)
Net decrease in cash and cash equivalents		**(41,261)**	(11,834)
Cash and cash equivalents at 1 January		**422,990**	416,549
Effect of foreign exchange rate changes		**272**	(177)
Cash and cash equivalents at 30 June	12	**382,001**	404,538

The notes on pages 6 to 14 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 18 August 2010.

The interim financial report has been prepared in accordance with substantially the same accounting policies adopted in the 2009 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2010 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 Company and its subsidiaries ("the Group") since the 2009 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 15.

The financial information relating to the financial year ended 31 December 2009 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 2009 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 15 March 2010.

3. CHANGE IN ACCOUNTING POLICIES

The IASB has issued certain 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:

- Revised IFRS 3, Business Combinations
- Improvements to IFRSs (2009)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

As a result of the adoption of Revised IFRS 3, any business combination acquired on or after 1 January 2010 will be recognised in accordance with the new requirements and detailed guidance contained in Revised IFRS 3. These include the following changes in accounting policies:

– Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, will be expensed as incurred, whereas previously they were accounted for as part of the cost of the business combination and therefore impacted the amount of goodwill recognised.

– If the Group holds interests in the acquiree immediately prior to obtaining control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.

– Contingent consideration will be measured at fair value at the acquisition date. Any subsequent changes in the measurement of that contingent consideration will be recognised in profit of loss, unless they arise from obtaining additional information about facts and circumstances that existed at the acquisition date within 12 months from the date of acquisition (in which case they will be recognised as an adjustment to the cost of the business combination). Previously, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably. All subsequent changes in the measurement of contingent consideration and from its settlement were previously recognised as an adjustment to the cost of the business combination and therefore impacted the amount of goodwill recognised.

– If the acquiree has accumulated tax losses or other temporary deductible differences and these fail to meet the recognition criteria for deferred tax assets at the date of acquisition, then any subsequent recognition of these assets will be recognised in profit or loss, rather than as an adjustment to goodwill as was previously the policy.

– In addition to the Group's existing policy of measuring the non-controlling interests (previously known as the "minority interests") in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, in future the Group may elect, on a transaction by transaction basis, to measure the non-controlling interest at fair value.

In accordance with the transitional provisions in Revised IFRS 3, these new accounting policies will be applied prospectively to any business combinations in the current or future periods. The new policy in respect of recognition in the movement of deferred tax assets will also be applied prospectively to accumulated tax losses and other temporary deductible differences acquired in previous business combinations. No adjustments have been made to the carrying values of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

The improvements to IFRSs (2009) 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.

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. Adopting 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 costs 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.

	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)
		For the six months ended 30 June 2010			For the six months ended 30 June 2009	
Revenue from external customers	**55,583**	**48,498**	**104,081**	57,547	52,868	110,415
Reportable segment revenue	**55,583**	**48,498**	**104,081**	57,547	52,868	110,415
Reportable segment profit (gross profit)	**15,783**	**19,631**	**35,414**	18,809	23,324	42,133
Depreciation for the period	**473**	**520**	**993**	510	603	1,113
		As at 30 June 2010			As at 31 December 2009	
Reportable segment assets	**57,451**	**32,847**	**90,298**	43,821	29,665	73,486
Addition to non-current segment assets during the period/year	**104**	**42**	**146**	132	2	134

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

	For the six months ended 30 June HK$'000 2010 (unaudited)	2009 (unaudited)
Revenue		
Reportable segment revenue	**104,081**	110,415
Consolidated revenue	**104,081**	110,415
Profit		
Reportable segment profit	**35,414**	42,133
Other revenue and net income	**4,478**	6,175
Unallocated depreciation and amortisation	**(2,985)**	(2,757)
Finance costs	**(17)**	(128)
Share of losses of an associate	**(14)**	–
Unallocated head office and administrative expenses	**(20,994)**	(20,166)
Consolidated profit before taxation	**15,882**	25,257

	As at 30 June 2010 HK$'000 (unaudited)	As at 31 December 2009 (unaudited)
Assets		
Reportable segment assets	**90,298**	73,486
Deferred tax assets	**8**	4
Cash at bank and in hand	**382,001**	422,990
Unallocated head office and other assets	**59,592**	59,668
Consolidated total assets	**531,899**	556,148

(c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the location of operations to which they are allocated.

For the six months ended 30 June 2010

	PRC HK$'000 (unaudited)	**Hong Kong HK$'000 (unaudited)**	**Macau HK$'000 (unaudited)**	**Total HK$'000 (unaudited)**
Revenue from external customers	**5,855**	**93,770**	**4,456**	**104,081**

As at 30 June 2010

	PRC HK$'000 (unaudited)	**Hong Kong HK$'000 (unaudited)**	**Macau HK$'000 (unaudited)**	**Total HK$'000 (unaudited)**
Specified non-current assets	**57,207**	**1,583**	**7**	**58,797**

For the six months ended 30 June 2009

	PRC HK$'000 (unaudited)	Hong Kong HK$'000 (unaudited)	Macau HK$'000 (unaudited)	Total HK$'000 (unaudited)
Revenue from external customers	5,909	100,444	4,062	110,415

As at 31 December 2009

	PRC HK$'000 (unaudited)	Hong Kong HK$'000 (unaudited)	Macau HK$'000 (unaudited)	Total HK$'000 (unaudited)
Specified non-current assets	59,354	1,615	8	60,977

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

		For the six months ended 30 June HK$'000 2010 (unaudited)	2009 (unaudited)
(a)	Finance costs:		
	Finance charges	**17**	128
(b)	Staff costs:		
	Contributions to defined contribution retirement plan	**6,385**	5,991
	Salaries, wages and other benefits	**63,895**	62,407
		70,280	68,398
(c)	Other items:		
	Depreciation	**3,817**	3,709
	Amortisation of intangible assets	**161**	161
	Taxes other than income tax	**2,737**	3,149
	Repairs and maintenance	**489**	450
	Operating lease charges in respect of		
	– rental of building, offices and dormitories	**2,163**	2,757
	– hire of transmission lines	**3,698**	3,775
	Research and development expenses	**1,089**	1,253

7. INCOME TAX

	For the six months ended 30 June HK$'000 2010 (unaudited)	2009 (unaudited)
Provision for Hong Kong profits tax	**23**	417
Over-provision of Hong Kong profits tax in respect of prior year	**(27)**	–
Deferred taxation	**(1)**	500
Total income tax	**(5)**	917

(i) Hong Kong profits tax

The provision for Hong Kong profits tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the six months ended 30 June 2010.

(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 (2009: 25%). China Elite had no assessable profit for the six months ended 30 June 2010 as it has reported tax losses brought forward from 31 December 2009, which were sufficient to offset its assessable profit for the six months ended 30 June 2010.

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"), was 25% during the six months ended 30 June 2010 (2009: 25%). Shengyang Elite had incurred tax losses for the period ended 30 June 2010,

8. DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2010	2009
	HK$'000	HK$'000
2009 final dividend of 1 cent and special dividend of 3 cents per ordinary share	**37,848**	–

(ii) The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2010. No interim dividend was paid in respect of the six months ended 30 June 2009.

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2010 is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK$15,887,000 (Last Corresponding Period: approximately HK$24,340,000) 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

The amounts of diluted earnings per share are the same as basic earnings per share as there were no dilutive potential ordinary shares in existence for both the current and prior years.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2010, the Group acquired equipment with an aggregate cost of approximately HK$1,269,000 (Last Corresponding Period: approximately HK$596,000). No equipment was disposed of during the six months ended 30 June 2010 (Last Corresponding Period: net book value and loss on disposal of approximately HK$46,000).

11. TRADE AND OTHER RECEIVABLES

	As at 30 June 2010 (unaudited) HK$'000	As at 31 December 2009 (audited) HK$'000
Trade receivables	**87,303**	70,033
Deposits, prepayments and other receivables	**3,400**	1,740
	90,703	71,773

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 2010 (unaudited) HK$'000	As at 31 December 2009 (audited) HK$'000
Aged within 1 month	**19,321**	17,338
Aged over 1 month to 3 months	**25,877**	21,117
Aged over 3 months to 6 months	**27,489**	24,563
Aged over 6 months to 1 year	**14,616**	7,015
	87,303	70,033

At the balance sheet date, the Company has a concentration of credit risk of trade receivables were due from the Company's two largest customers. Management has reviewed the interim report issued by the two companies and consider their reputation, credit worthiness and past payment histories, assessed that these two customers had a stable financial position. As a result, management concluded that there is no recoverability problem.

12. CASH AT BANK AND IN HAND

	As at 30 June 2010 (unaudited) HK$'000	As at 31 December 2009 (audited) HK$'000
Fixed deposits	**230,764**	374,197
Cash in hand and demand deposits	**151,237**	48,793
Cash and cash equivalents in the consolidated cash flow statement	**382,001**	422,990

13. TRADE AND OTHER PAYABLES

	As at 30 June 2010 (unaudited) HK$'000	As at 31 December 2009 (audited) HK$'000
Creditors and accrued charges	**9,316**	12,172

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

	As at 30 June 2010 (unaudited) HK$'000	As at 31 December 2009 (audited) HK$'000
Due within 3 months or on demand	**5,532**	6,823

14. COMMITMENTS

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

	As at 30 June 2010 HK$'000 (unaudited)		As at 31 December 2009 HK$'000 (audited)	
	Properties	**Transmission lines**	Properties	Transmission lines
Within 1 year	**168**	**2,442**	–	3,141
Over 1 year but within 2 years	**168**	**124**	–	1,150
Over 2 years but within 3 years	**84**	**–**	–	–
	420	**2,566**	–	4,291

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.

15. 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
Guangzhou Elite Human Resource Service Co., Ltd.
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	
		2010 (unaudited)	2009 (unaudited)
Sales	(i)	**2,515**	3,937
Purchases of services	(ii)	**1,848**	–
Rental of properties	(iii)	**84**	663
Profit tax of a subsidiary borne by an ultimate shareholder	(iv)	**245**	–

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) Services purchased from related parties mainly represent services for operation.

(iii) The Group rented properties from an ultimate shareholder, Li Kin Shing up to 31 December, 2009, and a related party, Talent Information Engineering Co., Ltd.. The rental was determined with reference to the market price.

(iv) Hong Kong profit tax paid for a subsidiary for the period from 1 January to 15 October 2007 (before listing) was borne by an ultimate shareholder.

(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 2010 (unaudited) HK$'000	As at 31 December 2009 (audited) HK$'000
Amounts due from an ultimate shareholder and related parties		
– trade	**426**	2,369
– non-trade	**245**	–
Amounts due to related parties		
– trade	**134**	–

The amounts due from an ultimate shareholder and due from/to 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	
	2010 (unaudited)	2009 (unaudited)
Short-term employee benefits	**1,867**	1,864
Contribution to retirement benefit schemes	**81**	81
	1,948	1,945

The remuneration is included in "staff costs" (see note 6(b)).

16. CONTINGENT LIABILITIES

As at 30 June 2010, the directors of the Company (the "Directors") were not aware of any material contingent liabilities.

17. VERY SUBSTANTIAL ACQUISITION

On 4 May 2010, the Company entered into an acquisition agreement with Mr. Li Kin Shing and Ms. Kwok King Wa, being the vendors (the "Vendors"), pursuant to which the Company conditionally agreed to purchase from the Vendors the entire issued share capital of Sunward Telecom Limited 盛華電訊有限公司 ("Sunward") for an aggregate consideration of HK$2,000 million (subject to consideration adjustments (the "Consideration Adjustments") as defined in the announcement of the Company dated 25 May 2010, which shall be satisfied as to an aggregate amount of HK$200 million (subject to Consideration Adjustments) by cash on the completion date and by the issuance of convertible notes of HK$1,800 million (subject to Consideration Adjustments). Up to date of this report, this acquisition is subject to regulatory approvals and shareholders' approval.

18 COMPARATIVE FIGURES

The comparative figures represent figures for the period ended 30 June 2009. Certain items in these comparative figures have been reclassified to conform with the current period's presentation to facilitate comparison.

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 14 which comprises the consolidated balance sheet of International Elite Ltd. as of 30 June 2010 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 2010 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

18 August 2010

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, Guangzhou Watsons, Guangzhou EF professional English School and Asia Pacific Customer Service Consortium.

FINANCIAL REVIEW

Turnover of the Group for the six months ended 30 June 2010 amounted to approximately HK$104,081,000 , representing a decrease of approximately 6% as compared to that of the Last Corresponding Period. The decrease in turnover was due to a slow recovery pace after the Financial Tsunami and credit crunch in Europe.

Turnover from the inbound segment accounted for approximately 53% of the total turnover for the six months ended 30 June 2010, and the remaining approximately 47% was attributable to the outbound segment. The gross profit margin of the inbound and the outbound segment for the six months ended 30 June 2010 was approximately 28% and 40% respectively.

The gross profit of the Group for the six months ended 30 June 2010 was approximately HK$35,414,000, representing a decrease of approximately 16% as compared to that of the Last Corresponding Period. The gross profit margin decreased by approximately 4% to approximately 34% for the six months ended 30 June 2010. The decrease in gross profit margin was primarily due to the appreciation of RMB and increase in operators' pay in line with China's inflation rate.

The profit attributable to the equity shareholders of the Company for the six months ended 30 June 2010 was approximately HK$15,887,000, representing a decrease of approximately 35% as compared to that of the Last Corresponding Period. The net profit margin dropped by approximately 7% to approximately 15%. The decrease in net profit margin was primarily due to the appreciation of RMB, increase in staff cost and acquisition-related costs incurred during the period were accounted as expenses.

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 a slow recovery pace after the Financial Tsunami and credit crunch in Europe, turnover of the Group from telecommunications service providers for the six months ended 30 June 2010 decreased by approximately 6% 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 non-telecommunications customer base for CRM business and successfully acquired the service contract from Magazines International (Asia) Limited. The Group continued cooperation and provision of CRM services to well established customers. Both new and established customers have built up a consolidated customer base of the Group and have witnessed the achievement of the Group's development in non-telecommunication industries.

MULTI-SKILL TRAINING

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

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**
Magazines International (Asia) Limited	Telesales Service	March 2010

FUTURE PROSPECT

The Group strives to increase the penetration in the China market. The Group expects new market opportunities from the World Expo 2010 Shanghai, China ("Expo 2010"). More clients recognise the importance of the Group's professional service and may cooperate with the Group for lower operation cost, bigger market and higher customer loyalty management. The Group looks forward to entering into service agreements with these potential customers. With its expansion in the China market, the Group will be benefited from the opportunities arising from the favorable government policies including the growths in 3G mobile communications and domestic demand.

In addition, the Group has been constantly seeking for business improvement and worked out plans on launching new services, new programs and entering into new markets. The management continues to diversify the Group's CRM customer base to non-telecommunications industries in order to capture more business opportunities. At present, the Group has identified several potential customers and started the negotiation with the customers in industries including but not limited to restaurants, slimming and beauty shops, magazines, etc.

In view of the fierce competitions in the CRM industry, the Group is actively to seek opportunity to broaden its revenue sources to enhance its competitiveness.

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 operation cost.

The introduction of Internet CRM service will create 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 is optimistic about the eventual benefits of the remote workstation.

NEW MARKETS

Due to the favorable market environment in China, including the Expo 2010, the growths in 3G mobile communications and domestic demand, we expect the China market will provide more opportunities for the business 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 will also seek cooperation opportunity with China Mobile, the leading telecommunications service provider in the PRC on CRM outsourcing services. As at the date of this report, the Group has yet secured any service contracts with China Mobile.

Moreover, the Group also seeks to develop in non-telecommunications markets and overseas markets. As both CRM and outsourcing gain increasing recognition, the Directors anticipate that 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 various industries in overseas markets. The Group currently provides CRM services to restaurant, gas, travel, insurance, health care, exhibition, information technology, magazines and education companies.

NEW SERVICE CENTERS

The Group aims to expand seating capacity by establishing new CRM service centers so as to ensure sufficient resources for new businesses in the future. The Group has received a letter from the Yonghe Economic Zone of Guangzhou: Economic and Technological Development District (廣州經濟技術開發區) in March 2008 and a letter from the Guangzhou Panyu District (廣州番禺區) in November 2009 in relation to the possibility of offering government support in the use of land for the establishment of an outsourcing base. The Group is in the progress of negotiating the terms on the aforesaid land use support with the government.

The Group established a subsidiary, Shenyang China Elite Info. Services Co., Ltd. 瀋陽盛華信息服務有限公司 ("Shenyang Elite") in Shenbei District of Shenyang City in December 2008 and plans to establish an outsourcing base in Shenyang. However, due to the change of the market conditions and the Group has not been able to identify suitable premises to set up the new CRM centre in the Northeastern region of the PRC. The Group is considering to close down Shenyang Elite which has incurred losses of approximately HK$411,000 from December 2008 to June 2010 and it is expected that total losses of Shenyang Elite will be approximately HK$500,000.

CAPITAL STRUCTURE

The Group adopts a sound financial policy, and the surplus cash is deposited at the bank to facilitate extra operation expenditure or investment. The management carries out financial forecast on a regular basis. As at 30 June 2010, 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 2010, the Group's balance of cash and deposits was approximately HK$382,001,000, which was primarily attributable to the proceeds from the IPO and earnings.

LIQUIDITY AND FINANCIAL POSITION

	As at 30 June 2010 HK$'000 (unaudited)	As at 31 December 2009 HK$'000 (unaudited)
Fixed deposits	**230,764**	374,197
Cash in hand and demand deposits	**151,237**	48,793
Total cash and deposit	**382,001**	422,990

The Group normally finances its operations with internally generated cash flows. Cash position decrease by approximately HK$40,989,000 during the six months ended 30 June 2010.

The current ratio was 49.94 as at 30 June 2010, higher than 36.47 as at 31 December 2009. 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.

ASSETS MORTGAGE

The Group has no outstanding asset mortgage as at 30 June 2010.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2010.

SIGNIFICANT ACQUISITION, DISPOSAL OR INVESTMENT

On 4 May 2010, the Company entered into the acquisition agreement with Mr. Li Kin Shing and Ms. KWOK King Wa, being the vendors (the "Vendors"), pursuant to which the Company conditionally agreed to purchase from the Vendors the entire issued share capital of Sunward Telecom Limited 盛華電訊有限公司 ("Sunward") for an aggregate consideration of HK$2,000 million (subject to consideration adjustments (the "Consideration Adjustments") as defined in the announcement of the Company dated 25 May 2010), which shall be satisfied as to an aggregate amount of HK$200 million (subject to Consideration Adjustments) by cash on the completion date and to be financed by internal resources of the Group and as to an aggregate amount of HK$1,800 million (subject to Consideration Adjustments) by the issue of convertible notes (the "Convertible Notes"). Upon the completion, Sunward will become an indirect wholly-owned subsidiary of the Company.

Sunward and its wholly-owned subsidiaries ("The Sunward Group") is principally engaged in (i) the research and development, production and sales of RF-SIM products; and (ii) licensing of the RF-SIM operation rights in markets other than Hong Kong and Macau.

The Directors are of the view that in the light of the fierce competitions in the CRM industry, it is necessary for the Group to broaden its revenue sources to enhance its competitiveness. Given that RF-SIM is still at the early development stage, the Directors believe that RF-SIM has a great business potential and the Group will be able to enjoy the expected revenue and business growth from the RF-SIM business.

The internal resources of the Group financing the cash payments to Vendors include approximately HK$148 million of the proceeds raised by the Company on its initial public offer (the "IPO") in October 2007. The original plan for the unused IPO proceeds is set forth in the prospectus of the Company dated 11 October 2007 and the 2009 annual report of the Company dated 15 March 2010. Due to the change of the market conditions and the Group has not been able to identify suitable premises to set up the new CRM centre in the Northeastern region of the PRC nor appropriate small to medium sized CRM services centres for acquisition, the Group decided to reallocate the unused proceeds as to approximately HK$148 million for the acquisition with the remaining of the unused IPO proceeds, being approximately HK$138.7 million and HK$7.9 million, to set up a new CRM centre in the Southern region of the PRC and the development of new Internet CRM services, respectively, in accordance with the Group's business plans as disclosed in its prospectus dated 11 October 2007.

Since the Vendors are Directors and controlling Shareholders, they are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the acquisition agreement constitute a connected transaction for the Company under the Listing Rules. As the relevant percentage ratios (as defined under the Listing Rules) are more than 100%, the transactions contemplated under the acquisition agreement also constitutes a very substantial acquisition for the Company under Rule 14.06 of the Listing Rules. Thus, an extraordinary general meeting will be convened at which resolutions will be proposed to seek the independent Shareholders' approval. The Vendors, being the controlling Shareholders, together with its associates, will abstain from voting with respect to the resolutions. An independent board committee comprising all the independent non-executive Directors, namely, Mr. TANG Yue, Mr. CHEN Xue Dao and Mr. CHEUNG Sai Ming, will be established to advise the independent Shareholders in relation to the resolutions. An independent financial adviser has been appointed to advise the independent board committee and the independent Shareholders in this regard. A circular containing, among other things, (i) further details of the acquisition (including the allotment and issue of the conversion shares); (ii) the specific mandate; (iii) the accountants' report on the Sunward Group; (iv) the unaudited proforma financial information on the Group as a result of the acquisition; (v) the advice from the independent board committee; (vi) the letter from the independent financial adviser; (vii) a notice convening the extraordinary general meeting; and (viii) other disclosure requirements under the Listing Rules will be dispatched to the Shareholders as soon as practicable.

Further details of the acquisition agreements are set forth in the announcement of the Company dated 25 May 2010.

Save as disclosed above, the Group did not have any material acquisition and disposals of subsidiaries and affiliated companies, and investment during the period under review.

GEARING RATIO AND INTEREST CAPITALIZATION

The Group had no outstanding bank loans or other loans with interest as at 30 June 2010. During the period under review, no interest was capitalized by the Group.

CAPITAL COMMITMENTS

There was no capital commitments outstanding as at 30 June 2010 not provided for in the financial statement (31 December 2009: Nil).

SEGMENT REPORTING

Adopting 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 2010, the Group had 3,594 employees (31 December 2009: 3,813 employees). Among them, 3,578 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 2010 is as follows:

Function	**As at 30 June 2010**	As at 31 December 2009
Management	**13**	13
Operation	**3,409**	3,617
Financial, administration, and human resources	**76**	83
Sales and marketing	**21**	21
Research and development	**34**	36
Repairs and maintenance	**41**	43
Total	**3,594**	3,813

The total staff remuneration including directors' remuneration paid by the Group for the six months ended 30 June 2010 was approximately HK$70,280,000 (Last Corresponding Period: approximately HK$68,398,000). 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 RULES OF GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE (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.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2010. No interim dividend was paid in respect of the six months ended 30 June 2009.

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

As at 30 June 2010, 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:

(A) INTERESTS IN ORDINARY SHARES OF THE COMPANY

		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)	2,680,000	–	684,000,000	686,680,000	72.57%
Ms. Kwok King Wa	Company (Note 2)	–	2,680,000	684,000,000	686,680,000	72.57%
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. The 2,680,000 Shares are owned by Mr. Li Kin Shing in person. Mr. Li Kin Shing is the spouse of Ms. Kwok King Wa. Accordingly, Mr. Li Kin Shing is deemed to be interested in the 686,680,000 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. The 2,680,000 Shares are owned by Mr. Li Kin Shing in person. Ms. Kwok King Wa is the spouse of Mr. Li Kin Shing. Accordingly, Ms. Kwok King Wa is deemed to be interested in the 686,680,000 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.

(B) RIGHTS TO ACQUIRE SHARES OF THE COMPANY

	Upon the issue of conversion shares of the Company assuming the conversion of the Convertible Notes in full at the initial conversion price (for illustration purpose only) (Note 1)			Upon the issue of conversion shares of the Company (subject to adjustments) assuming the conversion of the Convertible Notes in full at the maximum amount under Consideration Adjustments (for illustration purpose only) (Note 1)		
	Personal Interests Number of Shares	**Family Interests** Number of Shares	Approximate %	**Personal Interests** Number of Shares	**Family Interests** Number of Shares	Approximate %
Mr. LI Kin Shing (Note 2)	900,000,000	900,000,000	65.546	1,400,000,000	1,400,000,000	74.742
Ms. KWOK King Wa (Note 2)	900,000,000	900,000,000	65.546	1,400,000,000	1,400,000,000	74.742

Notes:

1. It is a term of the Convertible Notes that the noteholder shall exercise the right of conversion to the extent that the public float of the Company will not be less than 25% (or such lower percentage as may be allowed under the Listing Rules) immediately after such conversion. Accordingly, these scenarios are for illustration purpose only and may never happen in light of the restrictions imposed under the terms of the Convertible Notes. In addition, the calculation is based on the assumption that each of the noteholders has exercised the right to convert the Convertible Notes to the same extent.

2. Each of Mr. Li Kin Shing and Ms. Kwok King Wa is personally interested in the rights under the Convertible Notes. Ms. KWOK King Wa is the spouse of Mr. LI Kin Shing. Accordingly, Mr. LI Kin Shing and Ms. KWOK King Wa are deemed to be interested in the rights under the Convertible Notes held by each other under the SFO.

Save as disclosed above, as at 30 June 2010, 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 2010, 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 2010, 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 SCHEME

The Company has conditionally adopted a share option scheme (the "Share Option Scheme") in the written resolutions of the Shareholders passed on 4 May 2010 (the "Share Option Scheme"). As at the date of this report, no option has been granted under the Share Option Scheme.

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 the Company has confirmed that the Directors have complied with the required standard set out in the code of conduct during the six months ended 30 June 2010.

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

During the six months ended 30 June 2010, 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 2010, neither the Company nor any of its subsidiaries has redeemed, purchased or cancelled any redeemable securities of the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in the Prospectus and below, during the six months ended 30 June 2010 and up to the date of this report, none of the Directors 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 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 2010.

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 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 audit committee of the Company has reviewed the Group's unaudited consolidated interim results for the six months ended 30 June 2010 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, 18 August 2010

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.