WO KEE HONG (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 720)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached Form 10 Q, the quarterly report for the period ended 30 June 2007 issued on 13 August 2007 (US time) by China Premium Lifestyle Enterprise, Inc., an associated company of the Company whose shares are traded on the Over-The-Counter Bulletin Board in the United States of America.

As at the date of this statement, the Board comprises Mr. Richard Man Fai LEE, Mr. Jeff Man Bun LEE, Mr. Tik Tung WONG and Waison Chit Sing HUI, all of whom are executive Directors, Ms. Kam Har YUE, who is a non-executive Director, Mr. Boon Seng TAN, Mr. Raymond Cho Min LEE and Mr. Ying Kwan CHEUNG, all of whom are independent non-executive Directors.

Hong Kong, 14 August 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

. x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2007

or

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to

Commission File No. 333-120807

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC.
(Exact name of Registrant as specified in its charter)

Nevada	**11-3718650**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

10/F, Wo Kee Hong Building
585-609 Castle Peak Road
Kwai Chung, N.T. Hong Kong
(Address of principal executive offices)

(852) 2514-4880
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. (See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act):

Large Accelerated Filer o Accelerated Filer o Non-Accelerated Filer x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

The number of shares of Common Stock outstanding as of July 31, 2007 was 122,672,214.

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC.
FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2007

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Item 1. Condensed Consolidated Financial Statements.

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2007 AND

FOR THE SIX MONTHS ENDED JUNE 30, 2007

INDEX TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2007 $ (unaudited)	December 31, 2006 $
ASSETS		
Current assets:		
Cash and cash equivalents	446,615	3,475,635
Restricted cash	383,808	385,629
Trade receivables, net of provision	5,562,603	11,246,621
Inventory, net	11,628,663	6,815,863
Prepayments	1,483,453	1,506,258
Other current assets	2,029,279	1,503,626
Amounts due from affiliates	9,260,633	4,503,367
Amount due from an associate	1,070,096	457,267
Total current assets	31,865,150	29,894,266
Property and equipment, net	2,109,353	2,377,656
Investment in an associate	1,339,039	1,355,530
Deferred income taxes	537,332	539,880
TOTAL ASSETS	35,850,874	34,167,332
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	7,507,587	5,315,497
Obligations due under finance lease – current portion	166,317	167,106
Bills payable	1,390,705	4,412,575
Trade payables	1,725,927	480,859
Deposits received	14,044,054	8,607,049
Other current liabilities	2,558,027	7,331,020
Amounts due to affiliates	11,637	-
Total current liabilities	27,404,254	26,314,106
Long-term liabilities:		
Obligations due under finance lease – non-current portion	27,720	111,404
TOTAL LIABILITIES	27,431,974	26,425,510
Commitments and Contingencies		
Minority interests	3,774,635	3,318,358
Shareholders' equity		
Preferred stock		
Authorized: 100,000,000 preferred stock, par value $0.001		
Issued and outstanding: 495,791 shares as at June 30, 2007 (1,533,973 as at December 31, 2006)	496	1,534
Common stock		
Authorized: 400,000,000 common stock, par value $0.001		
Issued and outstanding: 122,672,214 shares as at June 30, 2007 (26,929,180 as at December 31, 2006)	122,704	26,961
Additional paid-in-capital	5,581,457	5,676,162
Accumulated other comprehensive income	143,709	51,507
Accumulated deficits	(1,204,101)	(1,332,700)
TOTAL SHAREHOLDERS' EQUITY	4,644,265	4,423,464
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	35,850,874	34,167,332

The accompanying notes are an integral part of these condensed consolidated financial statements.

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three months ended June 30, 2007	Three months ended June 30, 2006	Six months ended June 30, 2007	Six months ended June 30, 2006
	$	**$**	**$**	**$**
Sales:				
New and used vehicles	23,646,806	14,266,960	39,470,781	22,532,503
Parts and services	1,469,599	1,388,149	2,656,267	2,367,626
Net sales	25,116,405	15,655,109	42,127,048	24,900,129
Cost of sales:				
New and used vehicles	(20,995,511)	(11,982,884)	(35,145,314)	(19,407,466)
Parts and services	(426,763)	(477,431)	(768,862)	(786,578)
Total cost of sales	(21,422,274)	(12,460,315)	(35,914,176)	(20,194,044)
Gross profit:				
New and used vehicles	2,651,295	2,284,076	4,325,467	3,125,037
Parts and services	1,042,836	910,718	1,887,405	1,581,048
Total gross profit	3,694,131	3,194,794	6,212,872	4,706,085
Selling and marketing	(249,157)	(111,174)	(391,205)	(218,280)
General and administrative expenses	(2,728,503)	(2,029,981)	(5,221,564)	(3,955,736)
Operating earnings	716,471	1,053,639	600,103	532,069
Other income (expenses)				
Interest expenses	(244,693)	(113,626)	(421,980)	(179,234)
Share of result of an associate	(38,168)	267,340	(78,060)	40,618
Other income	394,489	10,448	484,832	118,412
Total other income (expenses)	111,628	164,162	(15,208)	(20,204)
Earnings before minority interests and income taxes	828,099	1,217,801	584,895	511,865
Provision for income taxes	-	-	-	-
Earnings before minority interests	828,099	1,217,801	584,895	511,865
Minority interests	(439,501)	(620,339)	(456,296)	(259,965)
Net earnings	388,598	597,462	128,599	251,900
Earnings per share				
Basic	0.0033	N/A	0.0017	N/A
Diluted	0.0024	0.0042	0.0011	0.0018
Weighted average number of common stock outstanding				
Basic	117,285,482	N/A	73,824,354	N/A
Diluted	162,981,661	141,439,213	119,520,533	141,439,213

The accompanying notes are an integral part of these condensed consolidated financial statements.

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six months ended June 30, 2007	Six months ended June 30, 2006
	$	$
Cash flows from operating activities:		
Net earnings	128,599	251,900
Adjustments to reconcile net earnings to net cash provided by operating activities		
Minority interests	456,296	259,965
Depreciation and amortization	348,183	241,492
Provision for bad debts and bad debts written off	21,607	38,606
Provision for inventory written back	(8,967)	-
Equity earnings of an associate	78,060	(40,618)
Other non-cash items	28,959	41,866
Changes in operating assets and liabilities:		
Trade receivables	5,662,411	3,394,098
Other current assets and prepayments	(502,848)	733,338
Inventory	(4,803,833)	(3,395,883)
Trade payables	1,245,068	223,347
Other current liabilities and deposits received	664,012	(991,893)
Net cash provided by operating activities	3,317,547	756,218
Cash flows from investing activities:		
Purchases of property and equipment	(73,856)	(38,773)
Net cash used in investing activities	(73,856)	(38,773)
Cash flows from financing activities:		
Advances to affiliates	(4,745,629)	(2,382,685)
Advance to an associate	(612,829)	(458,923)
(Decrease) increase in borrowings and bills payable	(914,253)	2,343,407
Net cash used in financing activities	(6,272,711)	(498,201)
(Decrease) increase in cash and cash equivalents	(3,029,020)	219,244
Cash and cash equivalents at beginning of the period	3,475,635	452,754
Cash and cash equivalents at end of the period	446,615	671,998
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	421,980	179,234

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTE 1. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

Basis of presentation

The condensed consolidated financial statements include the accounts of China Premium Lifestyle Enterprise, Inc. (the "Company") and its subsidiaries. The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. All significant intercompany transactions and balances have been eliminated.

The condensed consolidated financial statements are unaudited and, in our opinion, include all adjustments, consisting of normal recurring adjustments and accruals necessary for a fair representation of our condensed consolidated balance sheets, operating results, and cash flows for the periods presented. Operating results for the periods presented are not necessarily indicatives of the results that may be expected for 2007 due to seasonal and other factors. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC"). The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompany notes included in the 2006 annual report on Form 10-K.

Use of estimates

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Management makes it best estimate of the outcome for these items based on historical trends and other information available when the condensed consolidated financial statements are prepared. Changes in estimates are recognized in accordance with the accounting principles for the estimate, which is typically in the period when new information becomes available to management. Management believes the most significant estimates affecting the condensed consolidated financial statements include provision for bad debts, provision for inventory write-off, and accounting for income taxes. Actual results could differ from those estimates.

Share-based compensation

The Company elected to adopt SFAS No. 123(R), "Share-Based Payment," as amended and interpreted, which was effective as of the beginning of the annual reporting period that began after June 15, 2005. The Company utilized the modified prospective method approach, pursuant to which the Company has recorded compensation for all awards granted after July 1, 2005 based on their fair value.

Earnings per share

Basic earnings per share is computed by dividing net operating results for the reporting period attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by dividing net operating results for the reporting period attributable to common shareholders by the weighted average number of common shares outstanding and the dilutive effect of common stock equivalents. All per share information is adjusted retroactively to the earliest periods presented to reflect the effect of the recent recapitalization between the Company and Technorient Limited (See the Form 10-K of the Company filed to the SEC on April 2, 2007 for details of the Company's recent recapitalization).

Reclassifications

Certain financial statement line items have been reclassified to conform to the current period presentation and have no impact on the previously reported consolidated net sales, operating results, or net financial position.

NOTE 2. CONCENTRATION OF RISK

Concentration of supplier risk

Our Company relies on supplies from numerous vendors. For the three months ended June 30, 2007 and 2006 and six months ended June 30, 2007 and 2006, the Company had two vendors that each accounted for more than 10% of total supply purchases. If any of the vendors terminate their relationships with our Company or if our Company's supply from the vendors is interrupted or terminated for any reason, we may not have sufficient time to replace the supply of products from the remaining vendors. Any such interruption would negatively impact our ability to sell and distribute our products. However, the suppliers' concentration of risk does not pose any effect to the concentration of risk with respect to trade payables as the Company made the purchases through facilities provided by banks and financial institutions.

Concentration of risk due to geographic location

Our business is currently focused on the sales of new and used vehicles, provision of vehicle maintenance and repair services, and sales of vehicle parts in Hong Kong and is currently expanding its operations to the People's Republic of China ("PRC"), and accordingly, is affected to a significant degree by any economic, political and legal developments in Hong Kong and the PRC.

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS

In February 2006, the FASB issued SFAS 155, *Accounting for Certain Hybrid Financial Instruments – an amendment of FASB Statements 133 and 140*, ("SFAS 155"), which was effective for the Company beginning January 1, 2007. The statement permits interests in hybrid financial instruments that contain an embedded derivative that would otherwise require bifurcation, to be accounted for as a single financial instrument at fair value, with changes in fair value recognized in earnings. This election is permitted on an instrument-by-instrument basis for all hybrid financial instruments held, obtained, or issued as of the adoption date. The Company considers the adoption of this standard to have no significant impact on its consolidated financial position, cash flows and results of operations.

In June 2006, the FASB issued Interpretation 48, *Accounting for Uncertainty in Income Taxes — an Interpretation of FASB Statement No. 109* ("FIN 48"), which clarifies the accounting for uncertainty in tax positions. This Interpretation requires that the Company recognize in its financial statements the impact of a tax position if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The provisions of FIN 48 became effective for the Company on January 1, 2007, with the cumulative effect of the change in accounting principle, if any, recorded as an adjustment to opening retained earnings. The Company considers the adoption of FIN 48 to have no significant impact on its consolidated financial position, cash flows and results of operations.

In September 2006, the FASB issued SFAS 157, *Fair Value Measurements* ("SFAS 157"), which provides guidance about how to measure assets and liabilities that use fair value. SFAS 157 will apply whenever another US GAAP standard requires (or permits) assets or liabilities to be measured at fair value but does not expand the use of fair value to any new circumstances. This standard also will require additional disclosures in both annual and quarterly reports. SFAS 157 will be effective for financial statements issued for fiscal years beginning after November 15, 2007, and will be adopted by us beginning in the first quarter of 2008. The Company does not expect there to be any significant impact of adopting this standard on its consolidated financial position, cash flows and results of operations.

In September 2006, the SEC staff issued Staff Accounting Bulletin ("SAB") 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements* ("SAB 108"). SAB 108 was issued to eliminate the diversity of practice in how public companies quantify misstatements of financial statements, including misstatements that were not material to prior years' financial statements. The Company began to apply the provisions of SAB 108 to its annual financial statements for the year ending December 31, 2006. The impact of the application of this guidance has not had a material effect on the Company's consolidated financial position, cash flows and results of operations.

In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115* ("SFAS 159"), which will be effective for the Company beginning January 1, 2008. This standard permits entities to choose to measure many financial instruments and certain other items at fair value and consequently report unrealized gains and losses on such items in earnings. The Company does not expect there to be any significant impact of adopting this standard on its consolidated financial position, cash flows and results of operations.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force (“EITF”)), the American Institute of Certified Public Accountants (“AICPA”), and the SEC did not or are not believed by management to have a material impact on the Company's present or future financial statements.

NOTE 4. EARNINGS PER SHARE

The computation of basic and diluted earnings per share are as follows for the three months and six months ended June 30:

	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
	$	$	$	$
Numerator:				
Net earnings available to common shareholders	388,598	597,462	128,599	251,900
Denominator:				
Weighted average common stock outstanding	117,285,482	N/A	73,824,354	N/A
Effect of dilutive preferred stock	45,696,179	141,439,213	45,696,179	141,439,213
Weighted average common stock and dilutive potential common stock	162,981,661	141,439,213	119,520,533	141,439,213
Basic net earnings per share	0.0033	N/A	0.0017	N/A
Diluted net earnings per share	0.0024	0.0042	0.0011	0.0018

The weighted average common stock outstanding for the three months and six months ended June 30, 2006, were adjusted to reflect the recent recapitalization between the Company and Technorient Limited. The computation of the net earnings per share for the three months and six months ended June 30, 2006, are computed by dividing the net earnings attributable to the common shareholders’ by the number of shares issued in the reverse takeover transaction.

As no mandatory dividend is attached to the Series A convertible preferred stock (“Series A Preferred Stock”), no adjustments were made to the basic earnings per share to take into consideration the Series A Preferred Stock.

NOTE 5. INVENTORY, NET

Inventory by major categories are summarized as follows:

	June 30, 2007	December 31, 2006
	$	$
New vehicles	6,487,839	2,310,112
Used vehicles	3,442,041	3,183,658
Parts, accessories and other	1,698,783	1,322,093
	11,628,663	6,815,863

Vehicles included in inventory valued at approximately $2,190,000 and $1,710,000 were pledged to secure the stocking loan outstanding as of June 30, 2007 and December 31, 2006, respectively (See Note 8).

NOTE 6. PREPAYMENTS

Prepayments are summarized as follows:

	June 30, 2007 $	December 31, 2006 $
Share-based payment receivable – related party	1,468,930	1,468,930
Prepaid expenses	14,523	37,328
	1,483,453	1,506,258

NOTE 7. INVESTMENT IN AN ASSOCIATE

In 2004, a subsidiary of the Company entered into a strategic alliance with Ferrari S.p.A. ("Ferrari") and Poly Technologies, Inc. ("Poly Technologies"), a subsidiary of Poly Group, to set up an Equity Joint Venture ("EJV") company, Ferrari Maserati Cars International Trading (Shanghai) Co., Limited, in Mainland China. The EJV is the sole importer of "Ferrari" and "Maserati" cars in China, responsible for the import, marketing, dealer sales, spare parts and accessories supply, and after-sale technical supports for these unique global brands. The Company, Ferrari and Poly Technologies own 30%, 40% and 30%, respectively in the EJV. The registered capital of the EJV was $3 million and was contributed by the partners to the EJV in proportion to their respective equity interest. In August 2004, the EJV was formally set up, with the business license issued by the relevant PRC authority.

On December 30, 2005, a subsidiary of the Company and Ferrari entered into the Equity Interest Transfer Agreement relating to the transfer of 29% equity interest in the EJV ("Equity Interest Transfer"), for consideration of $870,000. As of June 30, 2007, the disposal has been approved by the relevant authorities in the PRC and is waiting for the completion of local formalities. Due to the undeterminable timeline in finalizing the Equity Interest Transfer, the investment in EJV continues to be accounted for as "Investment In An Associate" under equity method of accounting.

NOTE 8. BORROWINGS

The Company's borrowings at are summarized as follows:

	June 30, 2007 $	December 31, 2006 $
Bank borrowings	5,731,693	3,985,579
Stocking loans	1,775,894	1,329,918
Obligations due under finance lease	194,037	278,510
	7,701,624	5,594,007
Borrowings due after one year – obligations under finance lease	27,720	111,404
Short-term borrowings	7,673,904	5,482,603

Vehicles included in inventory of approximately $2,190,000 and $1,710,000 were pledged to secure the stocking loan outstanding as of June 30, 2007 and December 31, 2006, respectively. The current portion together with the non-current portion of finance lease was secured by motor vehicle included in property and equipment with a carrying value of approximately $285,000 on June 30, 2007 and approximately $330,000 on December 31, 2006.

The bank borrowings, which are mainly used to finance the purchase of vehicles, are secured by cross guarantee with affiliates and by pledge of certain affiliates' properties. The borrowings are interest-bearing with settlement date within twelve months from the corresponding balance sheet dates. The interest rates are generally based on the bank's best lending rate plus a certain percentage and the credit lines are normally subject to periodic review. The range of effective interest rates (which are also equal to contracted interest rates) on the Company's borrowings as of June 30, 2007 was 8.50% to 10.50% per annum and as of December 31, 2006 the effective interest rates ranged from 8.50% to 9.25% per annum.

The Company has financed a motor vehicle with a carrying value of approximately $285,000. On December 31, 2006, the carrying value was $330,000.

NOTE 9. OTHER CURRENT LIABILITIES

Other current liabilities by major categories are summarized as follows:

	June 30, 2007 $	December 31, 2006 $
Accruals	235,940	443,434
Other payables	2,322,087	6,887,586
	2,558,027	7,331,020

Other payables mainly consist of first registration tax on motor vehicles sold. First registration tax is applicable to new motor vehicles sold in Hong Kong and is computed on a progressive rate based on the gross selling price of the new motor vehicles.

NOTE 10. CAPITAL STOCK

General

The Company's total authorized capital at June 30, 2007, is 500,000,000 shares of which 400,000,000 shares are common stock of par value $0.001 and 100,000,000 shares are preferred stock of par value $0.001. At June 30, 2007, 122,672,214 shares of common stock and 495,791 shares of preferred stock, respectively, were issued and outstanding.

Common stock

During the six months ended June 30, 2007, the Company's Series A Preferred Stock's holders, Happy Emerald Limited, Mr. Herbert Adamczyk, Corich Enterprises Inc. and Orient Financial Services Limited made applications to the Company to convert 65,454 shares, 167,273 shares, 727,273 shares and 78,182 shares of Series A Preferred Stock, respectively, into the 6,053,153 shares, 15,423,323 shares, 67,057,843 shares and 7,208,715 shares, respectively, of the Company's restricted common stock at a conversion ratio of 1 Series A Preferred Stock to 92.2045 shares of common stock. On March 29, 2007 and June 8, 2007, 88,534,319 shares and 7,208,715 shares of restricted common stock were issued upon the conversion of the aforesaid Series A Preferred Stock.

Preferred stock

During the six months ended June 30, 2007, the Company's Series A Preferred Stock's holders, Happy Emerald Limited, Mr. Herbert Adamczyk, Corich Enterprises Inc. and Orient Financial Services Limited made applications to the Company to convert 65,454 shares, 167,273 shares, 727,273 shares and 78,182 shares of Series A Preferred Stock, respectively, into the Company's restricted common stock. As a result of such Series A Preferred Stock conversion, the Company's outstanding preferred stock decreased by 1,038,182 shares from 1,533,973 shares at December 31, 2006 to 495,791 shares at June 30, 2007.

NOTE 11. COMPREHENSIVE INCOME

The Company's comprehensive income is comprised of net operating results and translation adjustments. Comprehensive income for the three months and six months ended June 30 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2007 $	2006 $	2007 $	2006 $
Comprehensive income:				
Net earnings	388,598	597,462	128,599	251,900
Translation adjustments	94,849	30,870	92,202	18,332
Total comprehensive income, net of taxes	483,447	628,332	220,801	270,232

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation, Claims and Assessments

From time to time the Company may be involved in various disputes and litigation matters arising in the normal course of business. It is the Company's belief that the resolution of these matters will not have a material adverse effect on its financial position or results of operations. However, management cannot provide assurance that damages that result in a material adverse effect on its financial position or results of operations will not be imposed in these matters. The Company accounts for contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated.

Operating Lease Commitments

The Company leases its dealership facilities, service center facilities and office space under non-cancellable operating leases in Hong Kong and PRC. Minimum future rental payments required under non-cancellable operating leases in effect as of June 30, 2007 are as follows:

2007	$	449,691
2008		78,173
	$	527,864

Rent expenses for the three months ended June 30, 2007 and 2006 and six months ended June 30, 2007 and 2006 were $311,984, $268,286, $598,663 and $566,296, respectively.

Employment Agreements

The Company maintains employment agreements with its executives which extend through 2007 to 2008. The agreements provide for a base salary, annual bonus to be determined by the Board of Directors, termination payments, and other terms and conditions of employment. In addition, the Company maintains employment agreements with other key employees with similar terms and conditions. As of June 30, 2007, committed compensation to the executives and other key employees totaling approximately $475,000 remain in effect.

NOTE 13. RELATED PARTY TRANSACTIONS

The following is a summary of significant transactions among certain related parties and the Company during the three months ended June 30, 2007 and 2006 and six months ended June 30, 2007 and 2006:

	Note	**Three months ended June 30,**		**Six months ended June 30,**	
		2007 $	**2006 $**	**2007 $**	**2006 $**
Sales to:					
- Affiliates	(a)	5,075	1,582	8,910	162,938
- An associate	(a)	-	-	-	70,733
- A related company	(b)	394,847	-	394,847	-
Purchases from:					
- Affiliates	(a)	-	5,918	5,559	7,273
- An associate	(a)	798,272	311,303	2,226,432	311,303
- A director of Technorient	(a)	172,926	-	172,926	-
Interest received from:					
- Affiliates	(c)	264,347	4,711	275,394	4,711
Management fee received from:					
- Affiliates	(d)	76,856	-	76,856	-
Management fee paid to:					
- Affiliates	(d)	-	76,923	-	154,213
Service fee from:					
- An associate	(d)	127,352	146,889	260,324	268,515

Notes: (a) The transactions were carried out at market price or, where no market price was available, at cost plus a percentage profit mark-up.

(b) The transaction with a related company, which was under common management by a common director of Technorient, was carried out at market price or, where no market price was available, at cost plus a percentage profit mark-up.
(c) Advances to affiliates are unsecured, bear interest at 8.50% per annum and are repayable on demand.
(d) The transactions were carried out at terms agreed between both parties.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

In addition to historical information, the matters discussed in this Form 10-Q contain forward-looking statements that involve risks or uncertainties. Generally, the words "believes," "anticipates," "may," "will," "should," "expect," "intend," "estimate," "continue," and similar expressions or the negative thereof or comparable terminology are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, including the matters set forth in this report or other reports or documents we file with the Securities and Exchange Commission from time to time, which could cause actual results or outcomes to differ materially from those projected. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to update these forward-looking statements. Readers should carefully review the risks described in other documents we file from time to time with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the fiscal year ended December 31, 2006, the Quarterly Reports on Form 10-Q or 10-QSB filed by the Company and Current Reports on Form 8-K (including any amendments to such reports). References in this filing to the "Company", "Group", "we", "us", and "our" refer to China Premium Lifestyle Enterprise, Inc. and its subsidiaries.

COMPANY OVERVIEW AND HISTORY

China Premium Lifestyle Enterprise, Inc. is in the business of distributing and selling premium brand luxury products in the Hong Kong Special Administrative Region ("Hong Kong"), the Macau Special Administrative Region ("Macau") and in the People's Republic of China (for the purpose of this report excludes Hong Kong and Macau and hereinafter "China"). Currently, the Company's main business is its ownership interest in Technorient Group Limited, a Hong Kong corporation whose business consists mainly of import, distribution, and after-sale service of Italian "Ferrari" and "Maserati" branded cars and spare parts in Hong Kong, Macau and China. The Company is also planning to import, distribute and sell premium brand apparel and other luxury brand products in Hong Kong, Macau, China and Taiwan.

The Company was originally formed in the State of Nevada on April 19, 2004 under its predecessor name, Xact Aid, Inc. On April 30, 2004, the Company issued 1,000 shares of our common stock (representing all of its issued and outstanding shares) to Addison-Davis Diagnostics, Inc. (F/K/A QT5, Inc.), a Delaware corporation ("Addison-Davis"), in consideration of Addison-Davis advancing start-up and operating capital. On November 15, 2004, the Company acquired the Xact Aid line of first aid products for minor injuries from Addison-Davis in accordance with an Agreement of Sale and Transfer of Assets entered into between the Company and Addison-Davis.

From the Company's inception to May 9, 2005, Addison-Davis was the Company's sole stockholder and as such the Company was a wholly-owned subsidiary of Addison-Davis and it was included in the consolidated financial statements filed by Addison-Davis with the Securities and Exchange Commission. (the "SEC").

On December 22, 2005, the Company acquired one hundred percent (100%) of the issued and outstanding shares of Brooke Carlyle Life Sciences, Inc., a Nevada corporation ("Brooke Carlyle"), a development stage company with a business plan to develop an online Internet portal containing information on sexually transmitted diseases, generating revenue from advertising from pharmaceutical companies.

The Company's management team then determined that it was no longer in the best interests of the Company and its shareholders to continue pursuing sales and marketing efforts for the wound-specific first aid kit line of products. In an effort to bring revenues and profitable operations to the Company, management sought to effect a transaction that would attract a viable business operation and liquidate its liabilities. As a result of such decisions, on March 3, 2006, the Company entered into a non-binding letter of intent ("LOI") with Technorient, Limited, a Hong Kong corporation ("Technorient") for a proposed acquisition of an interest in Technorient via a share exchange by and among the Company and Technorient and Technorient's shareholders. On May 4, 2006, in order to satisfy certain provisions in the Share Exchange Agreement described below with Technorient, the Company entered into a Stock Purchase Agreement (the "Agreement") with Nexgen Biogroup, Inc. ("Nexgen"), for the sale of the 1,000,000 shares (the "Shares") of the common stock of Brooke Carlyle held by the Company, which at that time represented all or substantially all of the assets of the Company, for $1,000 cash, representing a consideration of $.001 per share of Brooke Carlyle, Brooke Carlyle's par value per share (the "Sale"). In accordance with the terms of the Agreement, the Company agreed to: (i) sell, assign and transfer to Nexgen any and all of its rights, title and interests in Brooke Carlyle; and (ii) transfer to Nexgen 1,000,000 shares of Brooke Carlyle common stock. Further, on April 7, 2006, in order to satisfy certain provisions of the Share Exchange Agreement described below, the Company amended its Articles of Incorporation to provide for the authorization of 100,000,000 shares of preferred stock.

On June 9, 2006, the Company entered into a share exchange agreement (the “Exchange Agreement”) with Technorient, Fred De Luca, a director of the Company (“De Luca”), Corich Enterprises Inc., a British Virgin Islands corporation (“Corich”), and Herbert Adamczyk (“Adamczyk”) (collectively the “parties”). Subsequently, on July 15, 2006, the parties entered into an amended share exchange agreement (the “Amended Exchange Agreement”), which agreement replaced in its entirety and superseded the Exchange Agreement. Pursuant to the terms of the Amended Exchange Agreement, the Company agreed to acquire from Corich and Adamczyk (the “Sellers”) 49% of the outstanding capital stock of Technorient in exchange for the Company issuing to the Sellers and Orient Financial Services Ltd. (“OFS”) 972,728 shares of Series A Convertible Preferred Stock (the “Series A Preferred Shares”) (this share exchange transaction is hereinafter referred to as the “Exchange”). The 972,728 Series A Preferred Shares are convertible into approximately 89,689,881 shares, which on an as-converted basis represented 53.5% of the outstanding Common Stock of the Company on a fully diluted basis, taking into account the Exchange.

On September 5, 2006, pursuant to the Amended Exchange Agreement and after all of the conditions precedent to closing were satisfied, Corich and Adamczyk, as shareholders of Technorient, transferred 49% of the outstanding capital stock of Technorient on a fully diluted basis to the Company in exchange for 972,728 shares of the Company’s Series A Preferred Shares. Pursuant to the terms of the Amended Exchange Agreement, there were approximately 167,644,553 shares of common stock issued and outstanding after giving effect to (a) the Exchange, (b) the share cancellations, debt conversions and the issuance of the consulting shares pursuant to the Amended Exchange Agreement, and (c) assuming the full conversion of the Series A Preferred Shares. As a result of this Exchange, the Company became a 49% shareholder of Technorient. Additionally, as a condition to the Exchange, the Company completed the sale of all the capital stock of Brooke Carlyle, which prior to the Exchange constituted all of the Company’s assets for $1,000 cash, to Nexgen.

In connection with the Exchange, the Company issued (i) to Corich and Adamczyk an aggregate of 972,728 shares of the Series A Preferred Shares in exchange for 49% of the issued and outstanding shares of Technorient, (ii) 561,245 shares of Series A Preferred Shares to Happy Emerald Limited, a British Virgin Islands company (“Happy Emerald”), for consulting services to be provided to Technorient after the Exchange, and (iii) an aggregate of 21,629,337 shares of Common Stock in connection with the certain conversions of outstanding debt. As a result, after giving effect to the Exchange, the debt conversions, the issuance of shares to Happy Emerald, the issued and outstanding shares of the Company’s common stock on a fully diluted, as converted basis was 167,644,553 shares.

After the closing of the Exchange, the Company’s main business is its 49% ownership interest in Technorient.

On April 3, 2007, the Company established a wholly owned subsidiary named CPMM (Asia) Limited (f/k/a Leader Mount Limited), a limited liability company organized under Hong Kong Law (“CPMM Asia”). CPMM Asia is principally engaged in the distribution of luxury brand apparel.

TECHNORIENT OVERVIEW

Technorient is a private limited liability company incorporated in Hong Kong on March 8, 1983. Technorient is the parent company of Auto Italia Limited (“Auto Italia”), German Motors Limited (“German Motors”), Italian Motors (Sales & Service) (“Italian Motors”), and Italian Motors (Sales & Service) Limited (“IML”). Collectively, Auto Italia, Italian Motors, IML and German Motors are hereafter referred to as the “Technorient Group”. Originally founded in 1974 by Adamczyk as German Motors, Technorient was formed as the holding company for Auto Italia, IML and German Motors in 1985. IML was appointed sole Ferrari importer and distributor for Hong Kong and Macau in 1992 (and exclusive importer for China between 1994 and 2004), and Auto Italia was appointed importer and distributor for Maserati in 1996, having been a dealer for the brand since 1994. In 2003, IML transferred its entire car trading business to Auto Italia, which in turn set up a new subdivision, Italian Motors, to continue the business.

IML is a 30% equity holder in Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd., (the “Shanghai JV”) an equity joint venture company created with Ferrari S.p.A. and the Beijing-based Poly Investment Group in 2004 to handle sales, marketing and distribution of Maserati and Ferrari in China. As the structure of Shanghai JV precludes direct ownership by the shareholders of a licensed dealer in China and in view of Technorient’s strategy to develop a luxury brand platform amongst its high net worth clients, Technorient’s management subsequently approached Ferrari S.p.A. to dispose of Shanghai JV’s interest so that it could acquire an independent dealer network and, inter alia, maintain its direct customer relationships. As part of this arrangement, Technorient would apply for and receive a number of dealer licenses in key markets in China such as Dalian (already awarded) and would, in conjunction with Ferrari and Maserati, continue to build its dealer network to capitalize on its client base in China and pursue its luxury brand platform.

Pursuant to the above, IML entered into an agreement with the Shanghai JV parties to dispose of 29% equity interest in Shanghai JV in July 2006. As of the date hereof, the disposal has been approved by the relevant authorities and is waiting for the completion of local formalities. Upon completion of the disposal, however, IML will continue to hold a 1% equity interest in Shanghai JV. Beginning in 2006, the Technorient Group was able to act as an authorized dealer of Ferrari and Maserati cars in certain cities in China that were allocated in accordance with the Shanghai JV. In January 2006, IML formed Dalian Auto Italia in China to engage in the distribution of Ferrari and Maserati cars in Dalian, China. IML currently owns a 95% equity interest in Dalian Auto Italia. On August 3, 2007, IML entered into an agreement to acquire the remaining 5% of equity interest in Dalian Auto Italia. Consummation of the acquisition is conditioned on the approval by the local Chinese government.

Auto Italia and Italian Motors operate from six locations in Hong Kong and China, incorporating sales, spare parts, service and body and paint shop facilities for Ferrari and Maserati.

EMPLOYEES

As of June 30, 2007, we employed approximately 151 persons on a full-time basis in Hong Kong and China. We believe we have good relationships with our employees and no major disputes or work stoppages have occurred since our inception.

CURRENCY CONVERSION AND EXCHANGE

The value of Renminbi ("RMB"), Hong Kong Dollar and the Macau Pataca against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions. Since 1994, the conversion of RMB into foreign currencies, including Hong Kong and U.S. dollars, has been based on rates set by the People's Bank of China, or PBOC, which are set daily based on the previous day's PRC interbank foreign exchange market rate and current exchange rates on the world financial markets. Since 1994, the official exchange rate for the conversion of RMB to U.S. dollars has generally been stable.

On July 21, 2005, however, PBOC announced a reform of its exchange rate system. Under the reform, RMB is no longer effectively linked to US dollars but instead is allowed to trade in a tight band against a basket of foreign currencies. If the RMB were to increase in value against the U.S. dollar, for example, mainland Chinese consumers would experience a reduction in the relative prices of goods and services, which may translate into a positive increase in sales. On the other hand, a decrease in the value of the RMB against the dollar would have the opposite effect and may adversely affect our results of operations. Any significant revaluation of RMB may materially and adversely affect our cash flows, revenues, earnings and financial position, and the value of, and any dividends payments. For example, an appreciation of RMB against the U.S. dollar or Hong Kong dollars would make any new RMB denominated investments or expenditures more costly to us, to the extent that we need to convert U.S. dollars or Hong Kong dollars into RMB for such purposes. In addition, a strengthening of the U.S. dollar against the Hong Kong Dollar or the Macau Pataca, if it occurred, would adversely affect the value of your investment.

CRITICAL ACCOUNTING POLICIES

See Note 1 of the Notes to Condensed Consolidated Financial Statements (unaudited) included as Item 1 of Part I herein.

RECENT ACCOUNTING PRONOUNCEMENTS

In February 2006, the FASB issued SFAS 155, *Accounting for Certain Hybrid Financial Instruments – an amendment of FASB Statements 133 and 140*, ("SFAS 155"), which was effective for the Company beginning January 1, 2007. The statement permits interests in hybrid financial instruments that contain an embedded derivative that would otherwise require bifurcation, to be accounted for as a single financial instrument at fair value, with changes in fair value recognized in earnings. This election is permitted on an instrument-by-instrument basis for all hybrid financial instruments held, obtained, or issued as of the adoption date. The Company considers the adoption of this standard to have no significant impact on its consolidated financial position, cash flows and results of operations.

In June 2006, the FASB issued Interpretation 48, *Accounting for Uncertainty in Income Taxes — an Interpretation of FASB Statement No. 109* ("FIN 48"), which clarifies the accounting for uncertainty in tax positions. This Interpretation requires that the Company recognize in its financial statements the impact of a tax position if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The provisions of FIN 48 became effective for the Company on January 1, 2007, with the cumulative effect of the change in accounting principle, if any, recorded as an adjustment to opening retained earnings. The Company considers the adoption of FIN 48 to have no significant impact on its consolidated financial position, cash flows and results of operations.

In September 2006, the FASB issued SFAS 157, *Fair Value Measurements* ("SFAS 157"), which provides guidance about how to measure assets and liabilities that use fair value. SFAS 157 will apply whenever another US GAAP standard requires (or permits) assets or liabilities to be measured at fair value but does not expand the use of fair value to any new circumstances. This standard also will require additional disclosures in both annual and quarterly reports. SFAS 157 will be effective for financial statements issued for fiscal years beginning after November 15, 2007, and will be adopted by us beginning in the first quarter of 2008. The Company does not expect there to be any significant impact of adopting this standard on its consolidated financial position, cash flows and results of operations.

In September 2006, the SEC staff issued Staff Accounting Bulletin ("SAB") 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements* ("SAB 108"). SAB 108 was issued to eliminate the diversity of practice in how public companies quantify misstatements of financial statements, including misstatements that were not material to prior years' financial statements. The Company began to apply the provisions of SAB 108 to its annual financial statements for the year ending December 31, 2006. The impact of the application of this guidance has not had a material effect on the Company's consolidated financial position, cash flows and results of operations.

In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115* ("SFAS 159"), which will be effective for the Company beginning January 1, 2008. This standard permits entities to choose to measure many financial instruments and certain other items at fair value and consequently report unrealized gains and losses on such items in earnings. The Company does not expect there to be any significant impact of adopting this standard on its consolidated financial position, cash flows and results of operations.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force ("EITF")), the American Institute of Certified Public Accountants ("AICPA"), and the SEC did not or are not believed by management to have a material impact on the Company's present or future financial statements.

RECENT DEVELOPMENTS

On July 10, 2007, we entered into a Non-binding Letter of Intent with Keyforce (BVI) Limited ("Keyforce (BVI)"), a subsidiary of Wo Kee Hong Group of Hong Kong, to begin negotiations to acquire from Keyforce (BVI) its luxury yacht distribution business. Keyforce (BVI) is the sole shareholder of Keyforce Holdings Limited ("Keyforce Holdings") and Noble Brand Investments Limited ("Noble Brand"). Keyforce Holdings is engaged in the distribution of luxurious Italian "Ferretti" motor yachts in south China while Noble Brand distributes Taiwanese produced "Horizon" motor yachts in China, Hong Kong and Macau. If consummated, the acquisition would enable us to add the distribution of these vessels in the regions to our portfolio of luxury brands.

RESULTS OF OPERATIONS

Results of operations comparison of six months ended June 30, 2007 to six months ended June 30, 2006

SALES

	Six months ended June 30, 2007		**Six months ended June 30, 2006**	
	Total Sales	**% of Total Sales**	**Total Sales**	**% of Total Sales**
New and Used Vehicles	$ 39,471,000	93.7%	$ 22,533,000	90.5%
Parts and Services	$ 2,656,000	6.3%	$ 2,367,000	9.5%
Total	$ 42,127,000	100%	$ 24,900,000	100%

Total sales consists of sales of new and used vehicles, sale of parts, and services rendered for vehicle maintenance and repair.

Net total sales for six months ended June 30, 2007 increased by approximately $17,227,000 or 69% compared to approximately $42,127,000, compared with the same period of 2006. The increase was attributable to the increased sales from our new and used vehicles trading segment. The increase was due to an increase of deliveries of the "Ferrari" 8-cylinder sports car, F430 and Spider and the launch of the new "Ferrari" 12-cylinder 2-seater sports car, F599 GTB Fiorano in the last quarter of 2006. The slight increase in parts and service sales was mainly attributed to the increase of deliveries of Ferrari and Maserati cars to customers during the last few years, for which our parts and services were used to maintain.

COST OF SALES

Cost of sales for the six months ended June 30, 2007 increased to $35,914,000 from $20,194,000 for the six months ended June 30, 2006, a $15,720,000 or 78% increase was in line with the increase in Company's revenues during this period.

GROSS PROFIT

Gross profit margin for six months ended June 30, 2007 fell by 4.1% to 14.8% from 18.9% for the same period of 2006 while the gross profit increased by approximately $1,507,000 to approximately $6,213,000 for the six months ended June 30, 2007. This increase is mainly attributed to the new and used vehicles trading segment. The decrease in gross profit margin was mainly due to increase in used car sales which had lower gross profit margins.

SELLING AND MARKETING EXPENSES

Selling and marketing expenses for the six months ended June 30, 2007 were approximately $391,000, compared to approximately $218,000 for the same period of 2006. The increase in selling and marketing expenses was primarily due to the increased exhibition expenses incurred during this period, which increased from approximately $39,000 in the first six months of 2006 to approximately $297,000 in the first six months of 2007. This was mainly due to expenditures relating to an event held in Hong Kong during February 2007 for the celebration of Ferrari's 60^{th} anniversary along with several other promotion events held in the second quarter of 2007, including the new Maserati car test drive day.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative ("G&A") expenses include salaries and related staffing expenses, facilities rent, rate and building management fees, legal, professional services and general corporate expenses.

G&A expenses for the six months ended June 30, 2007 were approximately $5,222,000 or 12.4% of net sales compared to approximately $3,956,000 or 15.9% of net sales for the same period of 2006. The approximately $1,266,000 increase in G&A expenses was primarily due to the growth of our revenues and business expansion which required an increase in staffing and legal and professional services. The staffing expenses increased from approximately $1,638,000 for the six months ended June 30, 2006 to approximately $2,314,000 for the same period of 2007. The aggregate of audit fees, legal and professional fees and other related fees increased from approximately $95,000 for the six months ended June 30, 2006 to approximately $393,000 for the same period of 2007.

OTHER EXPENSES

Other expenses decreased to approximately $15,000 compared with approximately $20,000 in the first six months of 2006, a decrease of $5,000. The decrease was primarily due to the combined effect of increased interest income charged to affiliate companies and increased interest expenses. The interest income charged to affiliate companies increased from approximately $5,000 for the six months ended June 30, 2006 to approximately $275,000 for the same period of 2007. The interest expenses increased from approximately $179,000 in the first six months of 2006 to approximately $422,000 for the same period of 2007. The funds from which our increased interest expenses were incurred were used for working capital purposes.

MINORITY INTERESTS

Minority interests for the periods presented represent outside ownership interests in subsidiaries that are consolidated with the parent for financial reporting purposes.

Results of operations comparison of three months ended June 30, 2007 to three months ended June 30, 2006

SALES

	Three months ended June 30, 2007		Three months ended June 30, 2006	
	Total Sales	**% of Total Sales**	**Total Sales**	**% of Total Sales**
New and Used Vehicles	$ 23,646,000	94.1%	$ 14,267,000	91.1%
Parts and Services	$ 1,470,000	5.9%	$ 1,388,000	8.9%
Total	$ 25,116,000	100%	$ 15,655,000	100%

Total sales consists of new and used vehicles, sale of parts, and services rendered for vehicle maintenance and repair.

Net total sales for three months ended June 30, 2007 increased by approximately $9,461,000 or 60% compared to approximately $25,116,000, compared with the same period of 2006. The increase was attributable to the increased sales from our new and used vehicles trading segment. The increase was due to deliveries of the "Ferrari" 12-cylinder 2-seater sports car, F599 GTB Fiorano which was launched in the last quarter of 2006 and sales of certain high value limited edition used cars included "Ferrari" F40, Superamerica and "Maserati" MC12.

COST OF SALES

Cost of sales for the three months ended June 30, 2007 increased to $21,422,000 from $12,460,000 for the three months ended June 30, 2006, a $8,962,000 or 72% increase was in line with the increase in Company's revenues during this period.

GROSS PROFIT

Gross profit margin for three months ended June 30, 2007 fell by 5.7% to 14.7% from 20.4% for the same period of 2006 while the gross profit increased by approximately $499,000 to approximately $3,694,000 for the three months ended June 30, 2007. This increase is mainly attributed to the new and used vehicles trading segment. Gross profit margin decrease in the second quarter of 2007 was mainly due to increase in used car sales which had lower gross profit margins, in addition to sale of six limited edition Ferrari 430 Challenge which were recognized in the second quarter of 2006.

SELLING AND MARKETING EXPENSES

Selling and marketing expenses for the three months ended June 30, 2007 were approximately $249,000, compared to approximately $111,000 for the same period of 2006. The increase in selling and marketing expenses was primarily due to the increased exhibition expenses incurred during this period.

GENERAL AND ADMINISTRATIVE EXPENSES

G&A expenses include salaries and related staffing expenses, facilities rent, rate and building management fees, legal, professional services and general corporate expenses.

G&A expenses for the three months ended June 30, 2007 were approximately $2,729,000 or 10.9% of net sales compared to approximately $2,030,000 or 13% of net sales for the same period of 2006. The approximately $699,000 increase in G&A expenses was primarily due to the growth of our revenues and business expansion which required an increase in staffing and legal and professional services. The staffing expenses increased from approximately $903,000 for the three months ended June 30, 2006 to approximately $1,294,000 for the same period of 2007. The aggregate of audit fees, legal and professional fees and other related fees increased from approximately $38,000 for the three months ended June 30, 2006 to approximately $243,000 for the same period of 2007.

OTHER INCOME

Other income decreased to approximately $112,000 compared with approximately $164,000 in the second quarter of 2006, a decrease of $52,000. The decrease was primarily due to the combined effect of increased share of loss from the result of an associate and increased interest income charged to affiliate companies. The share of result of an associate changed from a share of profit of approximately $267,000 in the second quarter of 2006 to a share of loss of approximately $38,000 for the same period of 2007. The interest income charge to affiliate companies increased from approximately $5,000 for the three months ended June 30, 2006 to approximately $264,000 for the same period of 2007.

MINORITY INTERESTS

Minority interests for the periods presented represent outside ownership interests in subsidiaries that are consolidated with the parent for financial reporting purposes.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS FROM OPERATING ACTIVITIES

Our operations generated cash resources of approximately $3,318,000 for the six months ended June 30, 2007, compared to generating cash resources of approximately $756,000 for the six months ended June 30, 2006, primarily as a net result of the following:

- For the six months ended June 30, 2007, cash flow provided by sales net of operating expenses increased by approximately $260,000 to $1,053,000. The increase was primarily as a result of the increase in sales.

- For the six months ended June 30, 2007, account receivables decreased by approximately $5,662,000, primarily due to the collection of account receivable in regarding to the remarkable sales recognized in the fourth quarter of 2006 and first quarter of 2007.

- For the six months ended June 30, 2007, our inventory increased by approximately $4,804,000. The increase was consistent with our business growth especially in the car trading segment.

- For the six months ended June 30, 2007, the increase or decrease of various current operating assets and liabilities, included in the aforementioned items, resulted in an aggregate increase of cash inflow from operations of approximately $2,265,000.

CASH FLOWS FROM INVESTING ACTIVITIES

For the six months ended June 30, 2007 we expended net cash of approximately $74,000 in investing activities, mainly for the acquisition of property, plant and equipment to support the growth of our business. For the six months ended June 30, 2006, we utilized approximately $39,000 in investing activities, mainly for acquisition of property and equipment.

CASH FLOWS FROM FINANCING ACTIVITIES

During the six months ended June 30, 2007, we repaid approximately $914,000 of our obligations owed on outstanding debt. For the six months ended June 30, 2006, we made new net drawdown amounting to approximately $2,343,000 from banks.

For the six months ended June 30, 2007, we provided approximately $4,746,000 and $613,000 advances to affiliates and associate respectively. For the six months ended June 30, 2006, we provided approximately $2,383,000 and $459,000 advances to affiliates and associate respectively. The advances to affiliates were made to entities that are under common management, where Mr. Richard Man Fai Lee, the Company's Chief Executive Officer, is the common director of the Company and the affiliates. These advances included interest bearing and non interest bearing portion depending on the nature of the advances.

WORKING CAPITAL REQUIREMENTS

Current assets exceeded current liabilities at June 30, 2007 by approximately $4,461,000 an increase of $881,000 from December 31, 2006. The ratio of our current assets to our current liabilities was 1.16 to 1 at June 30, 2007 and it was 1.14 to 1 at December 31, 2006. At June 30, 2007, our current assets of approximately $31,865,000 included approximately $11,629,000 in inventory that was funded by the operating cash flow and trade finance facilities. Our current liabilities of approximately $27,404,000 included customer deposits. Given the exclusive nature and extremely limited production of Ferrari cars, our customers are willing to place material deposits in advance to the Company in order to secure their new car orders. This resulted in customer deposits of approximately $14,044,000.

SEASONALITY

Our business is modestly seasonal overall. Our operations generally experience higher volumes of vehicle sales in the fourth quarter of each year due in part to manufacturers' production and delivery patterns.

EFFECT OF FLUCTUATION IN FOREIGN EXCHANGE RATES

Information regarding the effects of the fluctuation in foreign exchange rates on our Company is included in Item 3 below.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We currently do not hold or use any derivative or other financial instruments that expose us to substantial market risk and we have no foreign exchange contracts. Our financial instruments consist of cash and cash equivalents, trade receivables and payables, bills payable, other current assets, other current liabilities, and bank borrowings. We consider investments in highly liquid instruments purchased with a remaining maturity of 90 days or less at the date of purchase to be cash equivalents. However, in order to manage the foreign exchange risks, we may engage in hedging activities to manage our financial exposure related to currency exchange fluctuation. In these hedging activities, we might use fixed-price, forward and option contracts when feasible.

Interest Rates. Our exposure to market risk for changes in interest rates relates primarily to our short-term obligations; thus, fluctuations in interest rates would not have a material impact on the fair value of the Company's securities. At June 30, 2007, we had approximately $447,000 in cash and cash equivalents. A hypothetical 10% increase or decrease in interest rates would not have a material impact on our earnings or loss, or the fair market value or cash flows of these instruments.

Foreign Exchange Rates. While our reporting currency is the U.S. dollar, to date virtually all of our revenues and costs are denominated in Hong Kong Dollars and a significant portion of our assets and liabilities is denominated in Hong Kong Dollars. As a result, we are exposed to foreign exchange risk as our revenues and results of operations may be impacted by fluctuations in the exchange rate between U.S. Dollars and Hong Kong Dollars. If the Hong Kong Dollar depreciates against the U.S. Dollar, the value of our Hong Kong Dollar revenues and assets as expressed in our U.S. Dollar financial statements will decline. Thus, our revenues and operating results may be impacted by exchange rate fluctuations of the Hong Kong Dollar. While we may choose to do so in the future, the availability and effectiveness of any hedging transactions may be limited and we may not be able to successfully hedge our exchange rate risks. Accordingly, we may experience economic losses and negative impacts on earnings and equity as a result of foreign exchange rate fluctuations. The effect of foreign exchange rate fluctuation for the six months ended June 30, 2007 was not material to us.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer and the chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of June 30, 2007, the end of the period covered by this report (the "Evaluation Date"). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the material information required to be included in our Securities and Exchange Commission ("SEC") reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to us and our consolidated subsidiaries, and was made known to others within those entities, particularly during the period when this report was being prepared.

Changes in internal controls over financial reporting

There were no significant changes in our internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the six months ended June 30, 2007 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

There have been no material changes in our business, operations or prospects that would require a change to the Risk Factor disclosure included in our most recent Annual Report on Form 10-K that have not already been disclosed.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

There have been no material changes to the procedures by which security holders may recommend nominees to the Company's board of directors.

Item 6. Exhibits.

Exhibit Number	Description
31.1	Certification of Chief Executive Officer pursuant to Rules 13A-14(A)/15D-15(E) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certification of the Chief Financial Officer pursuant to Rules 13A-14(A)/15D-15(E) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002), filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC.
(Registrant)

Date: August 13, 2007	By: /s/ Richard Man Fai Lee Richard Man Fai Lee Chief Executive Officer
Date: August 13, 2007	By: /s/ Joseph Tik Tung Wong Joseph Tik Tung Wong Chief Financial Officer

Exhibit 31.1

CERTIFICATION

I, Richard Man Fai Lee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of China Premium Lifestyle Enterprise, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

    (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2007

By: /s/ Richard Man Fai Lee
Richard Man Fai Lee
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Joseph Tik Tung Wong, certify that:

1. I have reviewed this quarterly report on Form 10-Q of China Premium Lifestyle Enterprise, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2007

By: /s/ Joseph Tik Tung Wong
Joseph Tik Tung Wong
Chief Financial Officer

Exhibit 32.1

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of China Premium Lifestyle Enterprise, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 of the Company fully complies, in all material respects, with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2007

By: /s/ Richard Man Fai Lee
Richard Man Fai Lee
Chief Executive Officer

Date: August 13, 2007

By: /s/ Joseph Tik Tung Wong
Joseph Tik Tung Wong
Chief Financial Officer