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/A, the amended quarterly report for the period ended March 31, 2009 filed on May 17, 2010 (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 announcement, the Board comprises Dr. Richard Man Fai LEE (Executive Chairman and Chief Executive Officer), Mr. Jeff Man Bun LEE and Mr. Tik Tung WONG, all of whom are executive Directors, Ms. Kam Har YUE, who is a non-executive Director, Mr. Boon Seng TAN, Mr. Ying Kwan CHEUNG and Mr. Peter Pi Tak YIN, all of whom are independent non-executive Directors.

Hong Kong, May 18, 2010

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

FORM 10-Q/A
(Amendment No. 2)

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

For the quarterly period ended: March 31, 2009

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) 2954-2469
(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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

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 ☐ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☒

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

The number of shares of Common Stock, $0.005 par value, outstanding as of the close of business on May 11, 2009 was 23,323,860.

EXPLANATORY NOTE

As used in this Amendment No. 2 (the "Form 10-Q/A") to our Quarterly Report on Form 10-Q for the three months ended March 31, 2009 (the "First Quarter 2009 Form 10-Q"), the terms "we," "us," "our" and the "Company" mean China Premium Lifestyle Enterprise, Inc., a Nevada corporation, and our consolidated subsidiaries, taken together as a whole.

On April 20, 2010, our management initially concluded that our consolidated audited financial statements for the years ended December 31, 2008, 2007 and 2006 and our consolidated unaudited interim financial statements for the periods ended March 31, 2006 through September 30, 2009 needed to be restated and should not be relied upon. Upon further analysis, on May 14, 2010, our management concluded that reliance on our unaudited interim financial statements for the period ended March 31, 2006 should not be withdrawn and that no restatements should be made to our unaudited interim financial statements for the period ended March 31, 2006. However, our management concluded that certain Notes to our unaudited interim financial statements included in the quarterly report on Form 10-QSB for the period ended March 31, 2006 needed to be amended. In addition, our management concluded that certain Notes to our audited financial statements included in the annual report on Form 10-KSB for our former fiscal year ended June 30, 2006 also needed to be amended.

This Form 10-Q/A to our First Quarter 2009 Form 10-Q is being filed with the Securities and Exchange Commission (the "SEC") to amend and restate our consolidated unaudited interim financial statements as of March 31, 2009 and for the three months ended March 31, 2009 and 2008.

In addition, we will file Reports on Form 10-K/A for prior periods to amend and restate our consolidated audited financial statements for the annual periods in fiscal years ended December 31, 2008, 2007 and 2006 and Reports on Form 10-Q/A to amend and restate our consolidated unaudited financial statements for the quarterly periods ended September 30, 2006 through September 30, 2009. We will also file a Report on Form 10-K/A to amend certain Notes to our audited financial statements for the annual period in our former fiscal year ended June 30, 2006 and a Report on Form 10-Q/A to amend certain Notes to our unaudited interim financial statements for the quarterly period ended March 31, 2006.

The common stock numbers in this Explanatory Note give effect to a one-for-five reverse stock split (the "Reverse Stock Split") of our common stock, par value $0.005 per share, effective on December 7, 2007.

<u>Background</u>

In September 2006, we closed the transactions contemplated by that certain Share Exchange Agreement, dated July 15, 2006, by and among us, Fred De Luca, Corich Enterprises, Inc., a British Virgin Islands corporation, Herbert Adamczyk and Technorient Limited, a Hong Kong corporation (the "Share Exchange Agreement"). Pursuant to the terms of the Share Exchange Agreement, we issued an aggregate of 972,728 shares (the "Exchange Shares") of Series A Convertible Preferred Stock in exchange for shares of the capital stock of Technorient.

In connection with the Share Exchange Agreement and prior to its closing, we entered into a consulting agreement dated July 15, 2006 with Happy Emerald Ltd. ("HEL") pursuant to which we issued to HEL 561,245 shares (the "HEL Shares") of Series A Convertible Preferred Stock in exchange for certain future services to be performed by HEL after the closing of the Share Exchange Agreement.

In January 2007, we authorized the delivery of 65,454 shares (the "Bern Noble Shares") of the HEL Shares to Bern Noble, Ltd. ("Bern Noble") for consulting services rendered by Bern Noble to us in connection with the Share Exchange Agreement. In March 2007, Bern Noble converted the Bern Noble Shares into 1,210,631 shares of common stock.

The following actions were also taken:

- •€ €€on April 7, 2006, prior management filed an amendment to our Articles of Incorporation purporting to create a class of 100,000,000 shares of "blank check" preferred stock (the "Preferred Stock Amendment");

•€ €€on August 16, 2006, prior management filed an amendment to our Articles of Incorporation purporting to designate 2,000,000 shares of the "blank check" preferred stock as "Series A Convertible Preferred Stock" (the "Certificate of Designation"); and

•€€ €on December 18, 2006, we filed an amendment to our Articles of Incorporation purporting to increase the number of shares of authorized common stock from 100,000,000 shares to 400,000,000 shares (the "Common Stock Amendment").

On December 19, 2008, we filed an action in the United States District Court for the Central District of California (the "Federal Court Action"), for fraud, breach of fiduciary duty, breach of contract and conversion against HEL, certain members of our prior management, including Fred De Luca, Charles Miseroy, Robert G. Pautsch and Federico Cabo, and certain other defendants. In the Federal Court Action, we alleged that:

•€€ €HEL had never performed any services under the consulting agreement; and

•€ €€the defendants, including the members of prior management, had (1) fraudulently obtained certificates for 495,596 shares of the Series A Convertible Preferred Stock, (2) improperly attempted to transfer the shares among themselves and their affiliates, (3) improperly converted 247,798 of the shares into 4,569,619 shares of common stock, and (4) sought to have the restrictive legend removed from the resulting shares of common stock.

During the pendency of the Federal Court Action, our legal advisors discovered that the Preferred Stock Amendment, the Certificate of Designation and the Common Stock Amendment had not been properly authorized. Specifically:

•€€€€each of the Preferred Stock Amendment and the Common Stock Amendment was approved only by the written consent of a majority of our then-stockholders, whereas our By-Laws required such written consent to be approved unanimously; and

•€€ €at the time of the filing of the Certificate of Designation with the Nevada Secretary of State, the Articles of Incorporation did not authorize the Board of Directors to designate the rights, preferences and privileges of any "blank check" preferred stock.

We were advised that the Preferred Stock Amendment, the Certificate of Designation and the Common Stock Amendment were invalid and of no force and effect. Further, we were advised that we were never authorized to issue any shares of any class or series of preferred stock, including the Exchange Shares, the Bern Noble Shares and the HEL Shares, and that any shares of common stock underlying such shares would also not have been authorized. In addition, we were advised that we were never authorized to issue any shares of common stock in excess of 100,000,000 shares.

Upon learning of the invalidity of the Preferred Stock Amendment, the Certificate of Designation and the Common Stock Amendment:

•€€ €current management took action to correct any potential defect in the transactions contemplated to acquire the shares of Technorient under the Share Exchange Agreement. On May 5, 2009, we entered into a reformation ("Reformation") of the Share Exchange Agreement pursuant to which the parties agreed that the 17,937,977 shares of common stock (on a post-Reverse Stock Split basis) underlying the Exchange Shares were agreed to have been issued in lieu of the Exchange Shares themselves. Pursuant to the Reformation, the parties agreed that an aggregate of 14,400,000 shares of our common stock (on a post-Reverse Stock Split basis) were deemed to have been issued on the closing date of the Share Exchange Agreement, and that upon the effectiveness of and giving effect to the Reverse Stock Split on December 7, 2007, an aggregate of an additional 3,537,977 shares of common stock were deemed to have been issued; and

•€€ €we amended our complaint in the Federal Court Action to allege that all of the disputed shares (the HEL Shares and, derivatively, the Bern Noble Shares), were void and subject to cancellation. Because of the uncertainty of the outcome of the Federal Court Action, however, we determined not to make any changes with respect to such shares on our financial statements until the pending litigation was finally resolved through a judgment in or settlement of the Federal Court Action.

On March 1, 2010, we settled the Federal Court Action. Under the terms of the settlement, the defendants agreed to return to us for cancellation all of the disputed shares, including 247,798 shares of the Series A Convertible Preferred Stock and 4,569,619 shares of common stock.

Further, in connection with the settlement, Bern Noble agreed to return to us for cancellation the 1,210,631 shares of common stock that had originally been derived from the HEL Shares. We also agreed to replace the Bern Noble Shares with an equal number of new shares of common stock in consideration of services rendered to us in 2006 in connection with the closing of the Share Exchange Agreement. We agreed to deliver the replacement shares in nine monthly installments.

Restatements

We have restated certain items on our consolidated balance sheets, consolidated statements of operations and consolidated statements of stockholders’ equity and comprehensive income (loss), based on the following:

•€ €€our determination that we were never authorized to issue any shares of any class or series of preferred stock, including the Exchange Shares, the Bern Noble Shares and the HEL Shares;

•€ €€our determination that the Preferred Stock Amendment, the Certificate of Designation designating the Series A Convertible Preferred Stock and the Common Stock Amendment were invalid and of no force and effect;

•€€ €the issuance of shares of common stock in connection with the Reformation;

•€ €€the cancellation and reissuance of the shares of common stock converted from the Bern Noble Shares (including the recognition of the receipt of the services performed by Bern Noble in 2006); and

•€ €€the settlement of the Federal Court Action.

The following describes the restatements to the Company’s condensed consolidated financial statements:

•€ €€On the condensed consolidated balance sheets, at March 31, 2009 and December 31, 2008, prepayments decreased by $1,468,930 to reflect the return for cancellation of the disputed shares of preferred stock and common stock in connection with the settlement of the Federal Court Action. Accordingly, at March 31, 2009 and December 31, 2008, preferred stock decreased by $248, common stock decreased by $28,902, additional paid-in-capital decreased by $1,439,780 and stockholders’ equity decreased by $1,468,930. Further, all references to an authorized class or series of preferred stock and any issued and outstanding shares of preferred stock have been deleted from the restated balance sheets at March 31, 2009 and December 31, 2008;

•€€ €On the condensed consolidated statement of operations, for the three months ended March 31, 2009, basic and diluted loss per share increased by $0.0138, and for the three months ended March 31, 2008, basic and diluted loss per share increased by $0.0006; and

•€€ €In addition, for the three months ended March 31, 2009, the basic and diluted weighted average number of outstanding shares decreased by 5,780,250, and for the three months ended March 31, 2008, the basic and diluted weighted average number of outstanding shares decreased by 1,612,356.

The restatements had no impact on the Company’s cash or cash flows.

Scope of This Form 10-Q/A

This Form 10-Q/A sets forth the First Quarter 2009 Form 10-Q in its entirety. The following Items contain amended disclosures relating to the restatements:

•€€ €Part I, Item 1. Financial Statements;

•€ €€Part I, Item. 2. Management’s Discussion and Analysis of Financial Condition and Results of Operation, under the headings “ *Restatements* ” and “ *Working Capital Requirements* ;”

•€€ €Part I, Item 4T. Controls and Procedures;

•€ €€Part II, Item 1. Legal Proceedings; and

•€ €€Part II, Item 6. Exhibits (to contain the currently-dated certifications from our principal executive officer and principal financial officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002).

Other than the amendments to the disclosures in the Items listed above, no other material modifications or updates have been made to the First Quarter 2009 Form 10-Q. Information not affected by the Items listed above remains unchanged and reflects the disclosures made at the time of, and as of the dates described in, the First Quarter 2009 Form 10-Q. Further, other than the amendments to the disclosures in the Items listed above, this Form 10-Q/A does not describe events occurring after the First Quarter 2009 Form 10-Q (including with respect to exhibits), or modify or update disclosures (including forward-looking statements) which may have been affected by events or changes in facts occurring after the date of the First Quarter 2009 Form 10-Q. Accordingly, this Form 10-Q/A should be read in its historical context and in conjunction with our filings made with the SEC subsequent to the filing of the First Quarter 2009 Form 10-Q, as information in such filings may update or supersede certain information contained in this Form 10-Q/A.

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC.

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2009

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Pursuant to Item 10(f) of Regulation S-K promulgated under the Securities Act of 1933, as amended, except as otherwise indicated we have elected to comply throughout this Quarterly Report on Form 10-Q with the scaled disclosure requirements applicable to "smaller reporting companies." In this Quarterly Report, unless otherwise stated or the context otherwise requires, the terms "we," "us," "our" and the "Company" refer to China Premium Lifestyle Enterprise, Inc., a Nevada corporation, and our consolidated subsidiaries, taken together as a whole.

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements.

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2009 AND

FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND 2008

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	March 31, 2009 (Restated)	December 31, 2008 (Restated)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,080,442	$ 5,827,132
Restricted cash	4,436,736	4,427,439
Trade receivables, net of provision	2,451,581	11,761,228
Inventory, net	20,106,427	12,670,567
Prepayments	325,624	483,952
Other current assets	6,943,340	6,419,106
Amounts due from affiliates	11,061,491	11,147,103
Total current assets	48,405,641	52,736,527
Property and equipment, net	2,897,553	2,905,927
Goodwill	39,734	39,734
TOTAL ASSETS	$ 51,342,928	$ 55,682,188
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 10,613,750	$ 9,935,435
Bills payable	-	1,333,502
Trade payables	3,405,942	3,795,196
Deposits received	23,402,035	19,887,368
Other current liabilities	2,064,858	7,405,454
Amounts due to affiliates	3,646,452	2,433,340
TOTAL LIABILITIES	43,133,037	44,790,295
Commitments and Contingencies		
Stockholders' equity		
Common stock		
Authorized: 100,000,000 common stock, par value $0.005		
Issued and outstanding: 23,323,860 shares as at March 31, 2009; (23,323,860 shares as at December 31, 2008)	116,619	116,619
Additional paid-in-capital	4,119,108	4,119,108
Accumulated other comprehensive income	246,065	247,279
Accumulated deficit	(2,317,597)	(695,446)
TOTAL CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. STOCKHOLDERS' EQUITY	2,164,195	3,787,560
Noncontrolling interests	6,045,696	7,104,333
TOTAL EQUITY	8,209,891	10,891,893
TOTAL LIABILITIES AND EQUITY	$ 51,342,928	$ 55,682,188

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

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three months ended March 31,	
	2009 (Restated)	2008 (Restated)
Sales:		
New and used vehicles	$ 14,722,090	$ 19,913,416
Parts and services and others	1,283,798	1,361,915
Fashion apparel and accessories	422,181	171,496
Net sales	16,428,069	21,446,827
Cost of sales:		
New and used vehicles	(14,076,177)	(17,485,282)
Parts and services and others	(185,807)	(368,250)
Fashion apparel and accessories	(412,404)	(131,416)
Total cost of sales	(14,674,388)	(17,984,948)
Gross profit:		
New and used vehicles	645,913	2,428,134
Parts and services and others	1,097,991	993,665
Fashion apparel and accessories	9,777	40,080
Total gross profit	1,753,681	3,461,879
Selling, general and administrative expenses	(4,670,091)	(3,773,477)
Operating loss	(2,916,410)	(311,598)
Other income (expenses)		
Interest expenses and other finance costs	(191,056)	(131,763)
Other income	426,678	321,560
Total other income (expenses)	235,622	189,797
Loss before income taxes	(2,680,788)	(121,801)
Provision for income taxes	-	-
Net loss including noncontrolling interests	(2,680,788)	(121,801)
Net loss attributable to:		
China Premium Lifestyle Enterprise, Inc common stockholders	(1,622,151)	(229,320)
Noncontrolling interests	(1,058,637)	107,519
	$ (2,680,788)	$ (121,801)
Loss per common stock attributable to China Premium Lifestyle Enterprise, Inc common stockholders		
Basic	$ (0.0695)	$ (0.0098)
Diluted	$ (0.0695)	$ (0.0098)
Weighted average number of common stock outstanding		
Basic	23,323,860	23,323,860
Diluted	23,323,860	23,323,860

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

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three months ended March 31, 2009	2008
Operating activities:		
Net loss including noncontrolling interests	$ (2,680,788)	$ (121,801)
djustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	268,393	197,569
Provision for bad debts and bad debts written off	-	69,861
Provision for bad debts written back	(1,014)	-
Provision for inventory	38,040	-
Other non-cash items	(2,651)	79,901
Changes in operating assets and liabilities:		
Trade receivables	9,310,661	640,326
Other current assets and prepayments	(365,906)	(755,612)
Inventory	(7,473,900)	(4,846,437)
Trade payables	(389,254)	2,926,882
Other current liabilities and deposits received	(1,825,930)	3,496,974
Net cash (used in)/provided by operating activities	(3,122,349)	1,687,663
Investing activities:		
Purchases of property and equipment	(258,581)	(170,586)
Increase in restricted cash	(9,297)	(2,155)
Net cash used in investing activities	(267,878)	(172,741)
Financing activities:		
Advances from affiliates	1,298,724	1,154,346
Repayments from an associate	-	-
Decrease in borrowings and bills payable	(655,187)	(2,756,576)
Net cash provided by/(used in) financing activities	643,537	(1,602,230)
Decrease in cash and cash equivalents	(2,746,690)	(87,308)
Cash and cash equivalents at beginning of the period	5,827,132	6,583,566
Cash and cash equivalents at end of the period	$ 3,080,442	$ 6,496,258
Supplemental disclosure of cash flows information:		
Cash paid for:		
Interest	$ 191,056	$ 131,763

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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 of America. All significant intercompany transactions and balances have been eliminated. The accompanying condensed consolidated financial statements have been restated as described in Note 14.

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 indicative of the results that may be expected for 2009. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC"). The December 31, 2008 condensed consolidated balance sheet amounts are derived from the Company's audited financial statements but do not include all disclosures required by accounting principles generally accepted in the United States of America. The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K/A (Amendment No. 1) for the fiscal year ended December 31, 2008.

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, 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 its 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.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net operating results for the reporting period attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is calculated by dividing net operating results for the reporting period attributable to common stockholders by the weighted average number of shares of common stock outstanding and the dilutive effect of common stock equivalents. The computation of diluted loss per share does not assume the dilutive effect of common stock equivalents as the effect of the common stock equivalents is antidilutive.

Segment reporting

The Company determines and classifies its operating segments in accordance with SFAS No. 131, *Disclosures About Segments Of An Enterprise And Related Information* . The Company identifies and classifies its operating segments based on the nature of the products and services with similar economic characteristics. The Company's reportable segments are (1) motor vehicle retailing, which includes sales of new and used vehicles, provision of vehicle maintenance and repair services, and sales of vehicle parts, and (2) fashion apparel retailing, which includes sales of fashion apparel and related accessories.

Fair value of financial instruments

The carrying amounts of the Company's financial instruments, including cash and cash equivalents, approximate fair value due to their high liquidity in actively quoted trading markets and their short maturities. The Company's trade receivables, trade payables and accrued liabilities approximate fair value due to their short maturities. The carrying amount of the short-term borrowings approximate fair value as this facility bears interest at a variable rate tied to the current market, and has terms similar to other borrowing arrangements available to the Company.

SFAS No. 157 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. SFAS No. 157 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are either directly or indirectly observable; and
- Level 3: unobservable inputs in which little or no market activity exists, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

A financial asset's or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The carrying amounts of the Company's financial instruments, including cash and cash equivalents, approximate fair value due to their high liquidity in actively quoted trading markets and their short maturities.

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

The Company relies on supplies from numerous vendors. For the three months ended March 31, 2009 and 2008, the Company had two vendors that each accounted for more than 10% of total supply purchases. If either of these vendors terminates their relationship with the Company or if the Company's supply from these vendors is interrupted or terminated for any reason, we may not have sufficient time to replace the supply of products from the remaining vendors and other vendors to be engaged. Any such interruption would negatively impact our ability to sell and distribute our products. However, the suppliers' concentration of credit risk does not pose any effect to the concentration of credit 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

The Company's business, assets and operations are 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 has recently expanded its operations to the People 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. Among other factors, the Company's business may be influenced by changes in laws and regulations, anti-inflationary measures, currency conversion and remittances abroad, and rates and methods of taxation, among other things.

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS

(a) Recent accounting pronouncements adopted

In September 2006, the Financial Accounting Standards Board ("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 applies 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 requires additional disclosures in both annual and quarterly reports. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. In February 2008, the FASB issued FASB Staff Position ("FSP") SFAS 157-1, *Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement Under Statement 13* ("FSP SFAS 157-1"), which states that SFAS 157 does not address fair value measurements for purposes of lease classification or measurement. In February 2008, the FASB issued FSP SFAS 157-2, *Effective Date of FASB Statement No. 157* ("FSP SFAS 157-2") , which delays the effective date for non-financial assets and non-financial liabilities to fiscal years beginning after November 15, 2008, except for items that are measured at fair value in the financial statements on a recurring basis (at least annually). The Company adopted the provisions of SFAS 157 for its financial assets and liabilities and those items for which it has measured on a recurring basis effective January 1, 2008, and the adoption did not have a material impact on its financial position and results of operations. As provided by FSP SFAS 157-2, the Company adopted SFAS 157 for certain of its non-financial assets and liabilities on January 1, 2009 and the adoption did not have a material impact on its financial position, cash flows and results of operations.

In December 2007, the FASB issued SFAS 141 (revised 2007), *Business Combinations* ("SFAS 141(R)"). SFAS 141(R) establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141(R) also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. The Company adopted SFAS 141(R) on January 1, 2009 and the adoption did not have a material impact on its financial position, cash flows and results of operations.

In December 2007, the FASB issued SFAS 160, *Noncontrolling Interests in Consolidated Financial Statements - an amendment of Accounting Research Bulletin No. 51* ("SFAS 160"). SFAS 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest, and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. Upon adoption of SFAS No. 160 on January 1, 2009, the Company reclassified its noncontrolling interest from minority interest to equity in the accompanying March 31, 2009 and December 31, 2008 condensed consolidated balance sheets. In addition, the Company has separately disclosed the amount of consolidated net loss attributable to the Company common stockholders and its noncontrolling interest in the accompanying March 31, 2009 and 2008 condensed consolidated statements of operations.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities* ("SFAS 161"). SFAS 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. SFAS 161 achieves these improvements by requiring disclosure of the fair values of derivative instruments and their gains and losses in a tabular format. It also provides more information about an entity's liquidity by requiring disclosure of derivative features that are credit risk-related. Finally, it requires cross-referencing within footnotes to enable financial statement users to locate important information about derivative instruments. The Company adopted SFAS 161 on January 1, 2009 and the adoption did not have a material impact on its financial position, cash flows and results of operations.

(b) Recent accounting pronouncements not yet effective

In April 2009, the FASB issued FSP SFAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* . The FSP amends SFAS No. 107, *Disclosures about Fair Value of Financial Instruments,* to require disclosure about fair value of financial instruments in interim financial statements. FSP SFAS 107-1 and APB 28-1 are effective for interim and annual periods ending after June 15, 2009 with early adoption permitted for periods ending after March 15, 2009. The Company does not expect the adoption of this statement to have a material impact on the Company's financial statements.

In April 2009, the FASB issued Staff Position No. SFAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*, ("FSP SFAS 157-4"). FSP SFAS 157-4 provides guidelines for making fair value measurements more consistent with the principles presented in SFAS 157. FSP SFAS 157-4 provides additional authoritative guidance in determining whether a market is active or inactive, and whether a transaction is distressed, is applicable to all assets and liabilities (i.e., financial and nonfinancial) and will require enhanced disclosures. The pronouncement is effective for periods ending after June 15, 2009. The Company does not expect the adoption of this statement to have a material impact on the Company's financial statements.

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. LOSS PER SHARE

The computation of basic and diluted loss per share is as follows for the three months ended March 31:

	2009 (Restated)	2008 (Restated)
Numerator:		
Net loss attributable to China Premium Lifestyle Enterprise, Inc. common stockholders	$ (1,622,151)	$ (229,320)
Denominator:		
Weighted average common stock outstanding	23,323,860	23,323,860
Basic net loss per share	$ (0.0695)	$ (0.0098)
Diluted net loss per share	$ (0.0695)	$ (0.0098)

NOTE 5. INVENTORY, NET

Inventory by major categories are summarized as follows:

	March 31, 2009	December 31, 2008
New vehicles	$ 10,216,202	$ 4,003,200
Used vehicles	6,240,227	4,837,562
Fashion apparel	1,264,085	1,716,163
Parts, accessories and others	2,385,913	2,113,642
	$ 20,106,427	$ 12,670,567

Vehicles included in inventory of approximately $4,661,011 and $1,541,204 were pledged to secure the stocking loan outstanding as of March 31, 2009 and December 31, 2008, respectively (See Note 6).

NOTE 6. BORROWINGS

The Company's borrowings are summarized as follows:

	March 31, 2009	December 31, 2008
Bank borrowings	$ 6,976,714	$ 8,790,806
Stocking loans	3,637,036	1,144,629

Short-term borrowings	$ 10,613,750	$ 9,935,435

Vehicles included in inventory of approximately $4,661,011 and $1,541,204 were pledged to secure the stocking loan outstanding as of March 31, 2009 and December 31, 2008, respectively.

NOTE 7. OTHER CURRENT LIABILITIES

Other current liabilities by major categories are summarized as follows:

	March 31, 2009	December 31, 2008
Accruals	$ 1,099,009	$ 1,687,143
Other payables	965,849	5,718,311
	$ 2,064,858	$ 7,405,454

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 8. STOCKHOLDERS' EQUITY

This Note should be read in conjunction with Notes 9 and 13.

The Company has determined that: (i) the amendment (the "Preferred Stock Amendment") to the Company's Articles of Incorporation (the "Articles"), dated April 7, 2006, pursuant to which a class of "blank check" preferred stock was purportedly created, is invalid and of no force or effect because, while Article II, Section 10 of the Company's By-Laws requires that if the Company's stockholders elect to act by written consent they must do so unanimously, the Preferred Stock Amendment was approved only by the written consent of a majority of the Company's stockholders, (ii) the Certificate of Designation (the "Certificate of Designation"), dated August 16, 2006, purportedly designating 2,000,000 shares of the Company's purported "blank check" preferred stock as "Series A Convertible Preferred Stock," is invalid and of no force and effect because, at the time of the filing of the Certificate of Designation, the Company's Articles did not authorize the Company's Board of Directors to designate the rights, preferences and privileges of the Company's purported "blank check" preferred stock, and (iii) the amendment (the "Common Stock Amendment") to the Company's Articles, dated December 18, 2006, pursuant to which the Company purported to increase the number of shares of authorized common stock from 100,000,000 shares to 400,000,000 shares, is invalid and of no force or effect because, while Article II, Section 10 of the Company's By-Laws requires that if the Company's stockholders elect to act by written consent they must do so unanimously, the Common Stock Amendment was approved only by the written consent of a majority of the Company's stockholders. As a result, the Company has determined that the Company has never been authorized to issue any shares of any class or series of preferred stock, including the Preferred Shares, and that the total number of authorized shares of common stock of the Company is 100,000,000 shares.

The Company's total authorized capital at March 31, 2009 is 100,000,000 shares of common stock, par value $0.005 per share. At March 31, 2009, 23,323,860 shares of common stock were issued and outstanding.

NOTE 9. 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.

On December 19, 2008, the Company filed an action, styled *China Premium Lifestyle Enterprise, Inc. v. Happy Emerald Limited, et al.* , in the United States District Court, Central District of California, Case No. SACV08-1439 (the "Federal Court Action"), asserting claims for Securities Fraud, Breach of Contract, Fraud, Conversion, Unjust Enrichment, Constructive Trust, Breach of Fiduciary Duty and Declaratory Relief. The Company has named Happy Emerald Ltd., a purported British Virgin Islands corporate entity ("HEL"), Global Premium Brands Co., Inc., a defunct California Corporation ("California Global"), Global Premium Brands Co., Inc., a Nevada corporation ("Nevada Global"), Fred De Luca, Charles Miseroy, Delia Rodriguez, Robert G. Pautsch, Richard Cabo and Federico Cabo as defendants (collectively, the "Defendants").

The Company asserts in the Federal Court Action that the Defendants have acted in concert to fraudulently obtain shares of the Company's purported Series A Convertible Preferred Stock (the "Disputed Preferred Shares") and certain shares of the Company's common stock purportedly issued upon the conversion of certain of the Disputed Preferred Shares (the "Disputed Conversion Shares" and together with the Disputed Preferred Shares, the "Disputed Shares") and, in some instances, have breached their fiduciary duties to the Company relating to their conducts involving the Disputed Preferred Shares. The Company authorized the issuance of the Disputed Preferred Shares as consideration for certain future services to be performed by HEL under a July 15, 2006 Consultancy Services Agreement. HEL, however, as alleged in the Federal Court Action, has not performed the required services and the Disputed Preferred Shares have accordingly never been paid for. The Company believes that all of the Disputed Shares are subject to cancellation. In the Federal Court Action, the Company alleges that the Defendants have improperly obtained certificates for the Disputed Preferred Shares, attempted to transfer the Disputed Preferred Shares between themselves, and sought to have the restrictive legend removed from a portion of the Disputed Conversion Shares. The Company is seeking a declaration of the parties' respective rights regarding the Disputed Shares as well as injunctive relief and damages against the Defendants. It is anticipated that HEL and the Defendants will oppose the Company's position with respect to the Company's claims. The Company is unable to evaluate the likelihood of an outcome, favorable or unfavorable, to the Company with respect to its claims at this time, or to estimate the amount or range of a possible loss.

On May 5, 2009, the Company filed its First Amended Complaint in the Federal Court Action. As more fully discussed in Note 13, the Company has determined that the Company has never been authorized to issue any shares of any class or series of preferred stock, including the Disputed Preferred Shares. As a result, in addition to its other claims against HEL and the Defendants, the Company has asserted in the First Amended Complaint that all of the Disputed Shares are void and subject to cancellation. The Company is seeking a declaration that all of the Disputed Shares are void and subject to cancellation. It is anticipated that HEL and the Defendants will oppose the Company's position with respect to the validity of the Disputed Shares. The Company is unable to evaluate the likelihood of an outcome, favorable or unfavorable, to the Company with respect to the validity of the Disputed Shares at this time, or to estimate the amount or range of a possible loss.

In a related matter, the Company was named as a defendant in a state court action, styled *Federico G. Cabo, et al. v. China Premium Lifestyle Enterprise, Inc., et al.*, California Superior Court, Ventura County, Case No. 56-2008-00333382-CU-BC-VTA (the "State Court Action"). The plaintiffs in the State Court Action (Defendants in the Federal Court Action) Federico Cabo, Fred De Luca, and Nevada Global, asserted various claims against multiple defendants relating to the Disputed Shares purportedly issued to HEL in which these plaintiffs claim an interest. The plaintiffs asserted claims for Estoppel, Slander of Title, Conversion and Constructive Trust against the Company in the State Court Action. By agreement with the plaintiffs in the State Court Action, the State Court Action was dismissed, without prejudice, and it is anticipated that the same or similar claims will be asserted in the Federal Court Action. The Company denies any such alleged wrongdoing and will vigorously defend these claims if they are asserted in the Federal Court Action. The Company, however, is unable to evaluate the likelihood of an outcome, favorable or unfavorable, to the Company with respect to any such anticipated claims at this time or to estimate the amount or range of a possible loss.

Effective March 1, 2010, the Company settled the Federal Court Action. Under the terms of the settlement: (1) the Defendants agreed to return to the Company for cancellation 247,798 shares of preferred stock and 4,569,619 shares of common stock; (2) Mr. De Luca resigned from the Company's board of directors effective March 1, 2010; (3) the parties executed a mutual release; and (4) the Company dismissed the action with prejudice.

In December 2006, the Company had delivered 65,454 shares of preferred stock to Bern Noble, Ltd. ("Bern Noble") for consulting services rendered in connection with the Exchange. In March 2007, Bern Noble converted such shares into 1,210,631 shares of common stock. As discussed in the Explanatory Note at the beginning of this Report and as previously disclosed in the Company's Current Report on Form 8-K, as filed with the SEC on May 11, 2009, the Company later determined that it was never authorized to issue any shares of preferred stock. In connection with the settlement, Bern Noble agreed to return to us for cancellation the 1,210,631 shares of common stock. We also agreed to replace the shares with an equal number of new shares of common stock in consideration of services rendered to us in 2006 in connection with the closing of the Amended Share Exchange Agreement. We agreed to deliver the replacement shares in nine monthly installments.

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 March 31, 2009 are as follows:

2009	$ 3,007,827
2010	3,607,644
2011	2,217,045
2012	2,120,952
2013	1,916,512
Later years	7,634,657
	$ 20,504,637

Rent expense for the three months ended March 31, 2009 and 2008 was $1,124,854 and $648,471, respectively.

Employment Agreements

The Company maintains employment agreements with its executives which extend through 2009. 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 March 31, 2009, committed compensation to the executives and other key employees totaling approximately $534,000 remain in effect.

NOTE 10. COMPREHENSIVE INCOME

(a) The Company's comprehensive income is comprised of net operating results and translation adjustments. Comprehensive income for the three months ended March 31 is as follows:

	China Premium Lifestyle Enterprise, Inc common stockholders			
	Accumulated deficit	Accumulated other comprehensive income	Noncontrolling interests	Total
At January 1, 2009	$ (695,446)	$ 247,279	$ 7,104,333	$ 6,656,166
Net loss	(1,622,151)	-	(1,058,637)	(2,680,788)
Translation adjustments	-	(1,214)	-	(1,214)
At March 31, 2009	$ (2,317,597)	$ 246,065	$ 6,045,696	$ 3,974,164

	China Premium Lifestyle Enterprise, Inc common stockholders			
	Accumulated deficit	Accumulated other comprehensive income	Noncontrolling interests	Total
At January 1, 2008	$ (510,438)	$ 118,892	$ 4,918,636	$ 4,527,090
Net loss	(229,320)	-	107,519	(121,801)
Translation adjustments	-	96,619	-	96,619
At March 31, 2008	$ (739,758)	$ 215,511	$ 5,026,155	$ 4,501,908

(b) Condensed consolidated statement of comprehensive income (loss)

	Three months ended March 31, 2009	2008
Net loss including noncontrolling interest	$ (2,680,788)	$ (121,801)
Other comprehensive income, net of tax:		
Translation adjustments	(1,214)	96,619
Comprehensive loss including noncontrolling interest	(2,682,002)	(25,182)
Comprehensive loss (income) attributable to noncontrolling interest	1,058,637	(107,519)
Comprehensive loss attributable to China Premium Lifestyle Enterprise, Inc common stockholders	$ (1,623,365)	$ (132,701)

NOTE 11. BUSINESS SEGMENTS AND GEOGRAPHICAL INFORMATION

Business Segments

The Company operates in two business segments: Vehicles and Fashion Apparel. The Company's reporting segments are strategic business units that offer different products and services. They are managed separately based on the fundamental differences in their operations.

The Vehicles segment consists primarily of the group of companies doing business as Auto Italia Limited, Nanjing Auto Italia Car Trading Co., Limited and Dalian Auto Italia Car Trading Co., Limited. The Vehicle segment includes sales of new and used vehicles, provision of vehicle maintenance and repair services, and sales of vehicle parts.

The Fashion Apparel segment consists primarily of CPMM (Asia) Limited. The Fashion Apparel segment provides wholesale and retailing of fashion apparel.

Information by industry segment is set forth below for the quarter ended March 31:

2009	Vehicles	Fashion Apparel	Corporate	Elimination	Consolidated
Sales					
External sales	$ 16,005,888	$ 422,181	$ -	$ -	$ 16,428,069
Inter-segment sales	21,346	-	-	(21,346)	-
Net sales	16,027,234	$ 422,181	-	(21,346)	16,428,069
Results					
Operating loss	(2,142,804)	(348,604)	(423,792)	(1,210)	(2,916,410)
Interest revenue	12,513	-	-	-	12,513
Interest expense	(185,095)	(5,961)	-	-	(191,056)
Other income	388,053	26,112	-	-	414,165
Loss before income taxes					(2,680,788)
Provision for income tax	-	-	-	-	-
Net loss					(2,680,788)

2008	Vehicles	Fashion Apparel	Corporate	Elimination	Consolidated
Sales					
External sales	$ 21,275,331	$ 171,496	$ -	$ -	$ 21,446,827
Inter-segment sales	-	-	-	-	-
Net sales	21,275,331	$ 171,496	-	-	21,446,827
Results					
Operating earnings/(loss)	149,433	(297,623)	(163,408)	-	(311,598)
Interest revenue	31,657	1,125	-	-	32,782
Interest expense	(130,591)	(1,172)	-	-	(131,763)
Other income	288,778	-	-	-	288,778
Loss before income taxes					(121,801)
Provision for income tax	-	-	-	-	-
Net loss					(121,801)

	Vehicles	Fashion Apparel	Corporate	Consolidated
2009				
Total assets (Restated)	$ 49,467,298	$ 1,875,142	$ 488	$ 51,342,928
Depreciation and amortization	251,959	16,434	-	268,393
Net capital expenditures	258,581	-	-	258,581
2008				
Total assets (Restated)	$ 45,226,930	$ 1,298,334	$ 494	$ 46,525,758
Depreciation and amortization	187,055	10,514	-	197,569
Net capital expenditures	37,841	132,745	-	170,586

Geographic Information

No segment information is provided as the Company only has one geographical segment. The Company's reportable business segments are Vehicle and Fashion Apparel, which the operations are located in PRC (including Hong Kong and Macau) and sales were predominately made to customers located in PRC (including Hong Kong and Macau).

NOTE 12. RELATED PARTY TRANSACTIONS

The following is a summary of significant transactions among certain related parties and the Company during the three months ended March 31:

	Notes	2009	2008
Sales to:			
- Affiliates	(a)	$ 1,430	$ 4,026
Purchases from:			
- Affiliates	(a)	-	1,986
Interest received from:			
- Affiliates	(b)	154,196	126,018
Management fee paid to:			
- Affiliates	(c)	103,668	-
Management fee received from:			
- Affiliates	(c)	46,435	46,177
Service cost charged by:			
- Affiliates	(c)	420	-
Rental income received from:			
- Affiliates	(c)	38,696	38,482
Rental paid to:			
- Affiliate	(c)	4,113	6,633
Building management fee paid to:			
- Affiliate	(c)	851	608
Warehouse expenses paid to:			
- Affiliate	(c)	5,553	-

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 loan advance to an affiliate is unsecured, bears interest at 5.5% per annum and repayable on demand.

(c) The transactions were carried out at terms agreed between both parties.

NOTE 13. SUBSEQUENT EVENTS

On May 5, 2009, the independent non-executive member of the Board of Directors of the Company approved the reformation ("Reformation") of that certain Share Exchange Agreement, dated July 15, 2006, among the Company, Fred De Luca, Corich Enterprises, Inc., a British Virgin Islands corporation ("Corich"), Herbert Adamczyk ("Adamczyk" and, together with Corich, the "Sellers") and Technorient Limited, a Hong Kong corporation ("Technorient") (the "Exchange Agreement"). Under the Exchange Agreement, the Company agreed to issue the Sellers and Orient Financial Services, Ltd. ("OFS"), as a designee of the Sellers, an aggregate of 972,728 shares of the Company's purported Series A Convertible Preferred Stock (the "Preferred Shares") in exchange for the Sellers transferring of an aggregate of 226,231 shares of the capital stock of Technorient to the Company. Upon conversion, the purported Preferred Shares were to be convertible into 89,689,881 shares (the "Conversion Shares") of the Company's common stock, par value $0.001 per share (the "Common Stock").

The Company has determined that: (i) the amendment to the Company's Articles of Incorporation (the "Articles"), dated April 7, 2006, pursuant to which a class of "blank check" preferred stock was purportedly created (the "Amendment"), is invalid and of no force or effect because the Amendment was approved by a majority of the Company's stockholders acting by written consent in contravention of Article II, Section 10 of the Company's By-Laws, which requires that actions taken by written consent of the Company's stockholders be unanimous; and (ii) the Certificate of Designation dated August 16, 2006 (the "Certificate of Designation"), purportedly designating 2,000,000 shares of the Company's purported "blank check" preferred stock as "Series A Convertible Preferred Stock," is invalid and of no force and effect because, at the time of the filing of the Certificate of Designation, the Company's Articles did not authorize the Company's Board of Directors to designate the rights, preferences and privileges of the Company's purported "blank check" preferred stock.

As a result of the foregoing, the Company determined that the Company has never been authorized to issue any shares of any class or series of preferred stock, including the Preferred Shares.

On December 7, 2007, the Company effectuated a one-for-five reverse stock split (the “Reverse Stock Split”) of the Company’s Common Stock. As a result of the Reverse Stock Split, each outstanding share of the Company’s Common Stock, par value $0.001 per share, was converted into 0.20 shares of Common Stock, par value $0.005 per share.

Taking into account: (i) the number of authorized but unissued shares of Common Stock of the Company as of the Closing Date of the Exchange Agreement and (ii) the effect of the Reverse Stock Split, the Company, the Sellers, OFS and Technorient agreed that the shares of Common Stock shall be deemed to have been issued to the Sellers and OFS, as follows:

1. Effective as of the Closing Date of the Exchange Agreement, the Sellers and OFS are deemed to have been issued an aggregate of 72,000,000 shares of the Company’s Common Stock (in lieu of the Preferred Shares and any underlying Conversion Shares), on a pre-Reverse Stock Split basis, as follows:

- 54,000,000 shares of Common Stock to Corich;
- 12,240,000 shares of Common Stock to Adamczyk; and
- 5,760,000 shares of Common Stock to OFS.

2. Upon the effectiveness of and giving effect to the Reverse Stock Split, the 72,000,000 shares of pre-Reverse Stock Split Common Stock deemed to have been issued to the Sellers and OFS effective as of the Closing Date of the Exchange Agreement are deemed adjusted to an aggregate of 14,400,000 shares, as follows:

- Corich’s shares were reduced to 10,800,000 shares of Common Stock;
- Adamczyk’s shares were reduced to 2,448,000 shares of Common Stock; and
- OFS’ shares were reduced to 1,152,000 shares of Common Stock.

3. Upon the effectiveness of and giving effect to the Reverse Stock Split, the Sellers and OFS are deemed to have been issued an aggregate of 3,537,977 additional shares of the Company’s Common Stock, on a post-Reverse Stock Split basis, as follows:

- 2,611,569 shares of Common Stock to Corich;
- 636,665 shares of Common Stock to Adamczyk; and
- 289,743 shares of Common Stock to OFS.

Thus, the shares of pre-Reverse Stock Split Common Stock deemed issued to the Sellers and OFS effective as of the Closing Date of the Exchange Agreement (72,000,000), as adjusted by the Reverse Stock Split (14,400,000), plus the post-Reverse Stock Split shares of Common Stock deemed issued to the Sellers and OFS upon the effectiveness of the Reverse Stock Split (3,537,977), equals the total aggregate number of post-Reverse Stock Split shares of Common Stock the Company agreed to issue to the Sellers and OFS (17,937,977).

NOTE 14. RESTATEMENT OF FINANCIAL STATEMENTS

Background

In September 2006, the Company closed the transactions contemplated by that certain Share Exchange Agreement, dated July 15, 2006, among the Company, Fred De Luca, Corich Enterprises, Inc., a British Virgin Islands corporation, Herbert Adamczyk and Technorient Limited, a Hong Kong corporation (the “Share Exchange Agreement”). Pursuant to the terms of the Share Exchange Agreement, the Company issued an aggregate of 972,728 shares (the “Exchange Shares”) of Series A Convertible Preferred Stock in exchange for shares of the capital stock of Technorient.

In connection with the Share Exchange Agreement and prior to its closing, the Company entered into a consulting agreement dated July 15, 2006 with Happy Emerald Ltd. (“HEL”) pursuant to which the Company issued to HEL 561,245 shares (the “HEL Shares”) of Series A Convertible Preferred Stock in exchange for certain future services to be performed by HEL after the closing of the Share Exchange Agreement.

In January 2007, the Company authorized the delivery of 65,454 shares (the “Bern Noble Shares”) of the HEL Shares to Bern Noble, Ltd. (“Bern Noble”) for consulting services rendered by Bern Noble to the Company in connection with the Share Exchange Agreement. In March 2007, Bern Noble converted the Bern Noble Shares into 1,210,631 shares of common stock.

The following actions were also taken:

•€ €€on April 7, 2006, prior management filed an amendment to the Articles of Incorporation purporting to create a class of “blank check” preferred stock (the “Preferred Stock Amendment”);

•€€ €on August 16, 2006, prior management filed an amendment to the Articles of Incorporation purporting to designate 2,000,000 shares of the “blank check” preferred stock as “Series A Convertible Preferred Stock” (the “Certificate of Designation”); and

•€ €€on December 18, 2006, the Company filed an amendment to the Articles of Incorporation purporting to increase the number of shares of authorized common stock from 100,000,000 shares to 400,000,000 shares (the “Common Stock Amendment”).

On December 19, 2008, the Company filed an action in the United States District Court for the Central District of California (the “Federal Court Action”), for fraud, breach of fiduciary duty, breach of contract and conversion against HEL, certain members of the Company’s prior management, including Fred De Luca, Charles Miseroy, Robert G. Pautsch and Federico Cabo, and certain other defendants. In the Federal Court Action, the Company alleged that:

•€ €€HEL had never performed any services under the consulting agreement; and

•€ €€the defendants, including the members of prior management, had (1) fraudulently obtained certificates for 495,596 shares of the Series A Convertible Preferred Stock, (2) improperly attempted to transfer the shares among themselves and their affiliates, (3) improperly converted 247,798 of the shares into 4,569,619 shares of common stock, and (4) sought to have the restrictive legend removed from the resulting shares of common stock.

During the pendency of the Federal Court Action, the Company’s legal advisors discovered that the Preferred Stock Amendment, the Certificate of Designation and the Common Stock Amendment had not been properly authorized. Specifically:

•€ €€each of the Preferred Stock Amendment and the Common Stock Amendment was approved only by the written consent of a majority of the Company’s then-stockholders, whereas the By-Laws required such written consent to be approved unanimously; and

•€ €€at the time of the filing of the Certificate of Designation with the Secretary of State of the State of Nevada, the articles of incorporation did not authorize the Board of Directors to designate the rights, preferences and privileges of any “blank check” preferred stock.

The Company was advised that the Preferred Stock Amendment, the Certificate of Designation and the Common Stock Amendment were invalid and of no force and effect. Further, the Company was advised that the Company was never authorized to issue any shares of any class or series of preferred stock, including the Exchange Shares, the Bern Noble Shares and the HEL Shares, and that any shares of common stock underlying the shares of preferred stock would also not have been authorized.

Upon learning of the invalidity of the Preferred Stock Amendment, the Certificate of Designation and the Common Stock Amendment:

- •€ €€current management took action to correct any potential defect in the transactions contemplated to acquire the shares of Technorient under the Share Exchange Agreement. On May 5, 2009, the Company entered into a reformation ("Reformation") of the Share Exchange Agreement pursuant to which the parties agreed that the 17,937,977 shares of common stock (on a post-Reverse Stock Split basis) underlying the Exchange Shares were agreed to have been issued in lieu of the Exchange Shares themselves. Pursuant to the Reformation, the parties agreed that an aggregate of 14,400,000 shares of the Company's common stock were deemed to have been issued on the closing date of the Share Exchange Agreement, and that upon the effectiveness of and giving effect to the Reverse Stock Split on December 7, 2007, an aggregate of an additional 3,537,977 shares of common stock were deemed to have been issued; and

- •€ €€the Company amended its complaint in the Federal Court Action to allege that all of the disputed shares (the HEL Shares and, derivatively, the Bern Noble Shares), were void and subject to cancellation. Because of the uncertainty of the outcome of the Federal Court Action, however, the Company determined not to make any changes with respect to such shares on its financial statements until the pending litigation was finally resolved through a judgment in or settlement of the Federal Court Action.

On March 1, 2010, the Company settled the Federal Court Action. Under the terms of the settlement, the defendants agreed to return to the Company for cancellation all of the disputed shares, including 247,798 shares of the Series A Convertible Preferred Stock and 4,569,619 shares of common stock.

Further, in connection with the settlement, Bern Noble agreed to return to the Company for cancellation the 1,210,631 shares of common stock that had originally been derived from the HEL Shares. The Company also agreed to replace the Bern Noble Shares with an equal number of new shares of common stock in consideration of services rendered to the Company in 2006 in connection with the closing of the Share Exchange Agreement. We agreed to deliver the replacement shares in nine monthly installments.

Restatements

Certain items on the Company's consolidated balance sheets, consolidated statements of operations and consolidated statements of stockholders' equity and comprehensive income (loss) have been restated, based on the following:

- •€€ €the Company's determination that it was never authorized to issue any shares of any class or series of preferred stock, including the Exchange Shares, the Bern Noble Shares and the HEL Shares;

- •€€ €the Company's determination that the Preferred Stock Amendment, the Certificate of Designation designating the Series A Preferred Stock and the Common Stock Amendment were invalid and of no force and effect;

- •€€ €the issuance of shares of common stock in connection with the Reformation;

- •€€€€the cancellation and reissuance of the shares of common stock converted from the Bern Noble Shares (including the recognition of the receipt of the services performed by Bern Noble in 2006); and

- •€ €€the settlement of the Federal Court Action.

The following describes the restatements to the Company's condensed consolidated financial statements:

- •€ €€On the condensed consolidated balance sheets, at March 31, 2009 and December 31, 2008, prepayments decreased by $1,468,930 to reflect the return for cancellation of the disputed shares of preferred stock and common stock in connection with the settlement of the Federal Court Action. Accordingly, at March 31, 2009 and December 31, 2008, preferred stock decreased by $248, common stock decreased by $28,902, additional paid-in-capital decreased by $1,439,780 and stockholders' equity decreased by $1,468,930. Further, all references to an authorized class or series of preferred stock and any issued and outstanding shares of preferred stock have been deleted from the restated balance sheets at March 31, 2009 and December 31, 2008;

- •€ €€On the condensed consolidated statement of operations, for the three months ended March 31, 2009, basic and diluted loss per share increased by $0.0138, and for the three months ended March 31, 2008, basic and diluted loss per share increased by $0.0006; and

- •€ €€In addition, for the three months ended March 31, 2009, the basic and diluted weighted average number of outstanding shares decreased by 5,780,250, and for the three months ended March 31, 2008, the basic and diluted weighted average number of outstanding shares decreased by 1,612,356.

The restatements had no impact on the Company’s cash or cash flows.

The restated condensed consolidated balance sheets have been restated as follows:

Condensed Consolidated Balance Sheets

	As of March 31, 2009		
	As Previously Reported	Adjustments	As Restated
ASSETS	$	$	$
Current assets:			
Cash and cash equivalents	3,080,442	-	3,080,442
Restricted cash	4,436,736	-	4,436,736
Trade receivables, net of provision	2,451,581	-	2,451,581
Inventory, net	20,106,427	-	20,106,427
Prepayments	1,794,554	(1,468,930)	325,624
Other current assets	6,943,340	-	6,943,340
Amounts due from affiliates	11,061,491	-	11,061,491
Total current assets	49,874,571	(1,468,930)	48,405,641
Property and equipment, net	2,897,553	-	2,897,553
Goodwill	39,734	-	39,734
TOTAL ASSETS	52,811,858	(1,468,930)	51,342,928
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	10,613,750	-	10,613,750
Bills payable	-	-	-
Trade payables	3,405,942	-	3,405,942
Deposits received	23,402,035	-	23,402,035
Other current liabilities	2,064,858	-	2,064,858
Amounts due to affiliates	3,646,452	-	3,646,452
TOTAL LIABILITIES	43,133,037	-	43,133,037
Commitments and Contingencies			
Stockholders' equity			
Preferred stock			
Authorized: 100,000,000 preferred stock, par value $0.001			
Issued and outstanding: 2009: 247,798 (note 1)	248	(248)	-
Common stock			
Authorized: 100,000,000 common stock, par value $0.005			
Issued and outstanding: 2009: 29,104,110 (note 2)	145,521	(28,902)	116,619
Additional paid-in capital	5,558,888	(1,439,780)	4,119,108
Accumulated other comprehensive income	246,065	-	246,065
Accumulated deficit	(2,317,597)	-	(2,317,597)
TOTAL CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. STOCKHOLDERS' EQUITY	3,633,125	(1,468,930)	2,164,195
Noncontrolling interests	6,045,696	-	6,045,696
TOTAL STOCKHOLDERS' EQUITY	9,678,821	(1,468,930)	8,209,891
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	52,811,858	(1,468,930)	51,342,928

	As of December 31, 2008		
	As Previously Reported	Adjustments	As Restated
ASSETS	$	$	$
Current assets:			
Cash and cash equivalents	5,827,132	-	5,827,132
Restricted cash	4,427,439	-	4,427,439
Trade receivables, net of provision	11,761,228	-	11,761,228
Inventory, net	12,670,567	-	12,670,567
Prepayments	1,952,882	(1,468,930)	483,952
Other current assets	6,419,106	-	6,419,106
Amounts due from affiliates	11,147,103	-	11,147,103
Total current assets	54,205,457	(1,468,930)	52,736,527
Property and equipment, net	2,905,927	-	2,905,927
Goodwill	39,734	-	39,734
TOTAL ASSETS	57,151,118	(1,468,930)	55,682,188
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	9,935,435	-	9,935,435
Bills payable	1,333,502	-	1,333,502
Trade payables	3,795,196	-	3,795,196
Deposits received	19,887,368	-	19,887,368
Other current liabilities	7,405,454	-	7,405,454
Amounts due to affiliates	2,433,340	-	2,433,340
TOTAL LIABILITIES	44,790,295	-	44,790,295
Commitments and Contingencies			
Stockholders' equity			
Preferred stock			
Authorized: 100,000,000 preferred stock, par value $0.001			
Issued and outstanding: 2008: 247,798 (note 1)	248	(248)	-
Common stock	145,521	(28,902)	116,619
Authorized: 100,000,000 common stock, par value $0.005			
Issued and outstanding: 2008: 29,104,110 (note 2)			
Additional paid-in capital	5,558,888	(1,439,780)	4,119,108
Accumulated other comprehensive income	247,279	-	247,279
Accumulated deficit	(695,446)	-	(695,446)
TOTAL CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. STOCKHOLDERS' EQUITY	5,256,490	(1,468,930)	3,787,560
Noncontrolling interests	7,104,333	-	7,104,333
TOTAL STOCKHOLDERS' EQUITY	12,360,823	(1,468,930)	10,891,893
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	57,151,118	(1,468,930)	55,682,188

Note:

1. The Company did not have any authorized shares or any class or series of preferred stock at any of the dates referenced in the balance sheets. The references to an authorized class or series of preferred stock and any issued and outstanding shares of preferred stock have been deleted from the restated balance sheets at March 31, 2009 and December 31, 2008.

2. At March 31, 2009 and December 31, 2008, giving effect to the transactions related to the restatements discussed in this Note 14, there were issued and outstanding 23,323,860 shares of common stock.

The restated condensed consolidated statements of operations have been restated as follows:

Condensed Consolidated Statement of Operations

	For the 3 months ended March 31, 2009		
	As Previously Reported	**Adjustments**	**As Restated**
Sales:			
New and used vehicles	$ 14,722,090	$ -	$ 14,722,090
Parts and services and others	1,283,798	-	1,283,798
Fashion apparel and accessories	422,181	-	422,181
Net sales	16,428,069	-	16,428,069
Cost of sales:			
New and used vehicles	(14,076,177)	-	(14,076,177)
Parts and services and others	(185,807)	-	(185,807)
Fashion apparel and accessories	(412,404)	-	(412,404)
Total cost of sales	(14,674,388)	-	(14,674,388)
Gross profit:			
New and used vehicles	645,913	-	645,913
Parts and services and others	1,097,991	-	1,097,991
Fashion apparel and accessories	9,777	-	9,777
Total gross profit	1,753,681	-	1,753,681
Selling, general and administrative expenses	(4,670,091)	-	(4,670,091)
Operating loss	(2,916,410)	-	(2,916,410)
Other income (expenses)			
Interest expenses and other finance costs	(191,056)	-	(191,056)
Other income	426,678	-	426,678
Total other income (expenses)	235,622	-	235,622
Loss before income taxes	(2,680,788)	-	(2,680,788)
Provision for income taxes	-	-	-
Net loss including noncontrolling interests	(2,680,788)	-	(2,680,788)
Net loss attributable to:			
China Premium Lifestyle Enterprise, Inc common stockholders	(1,622,151)		(1,622,151)
Noncontrolling interests	(1,058,637)	-	(1,058,637)
	$ (2,680,788)	$ -	$ (2,680,788)
Loss per share of common stock attributable to China Premium Lifestyle Enterprise, Inc common stockholders			
Basic	$ (0.0557)	$ (0.0138)	$ (0.0695)
Diluted	$ (0.0557)	$ (0.0138)	$ (0.0695)
Weighted average number of shares outstanding			
Basic	29,104,110	(5,780,250)	23,323,860

Diluted	29,104,110	(5,780,250)	23,323,860

	For the 3 months ended March 31, 2008		
	As Previously Reported	Adjustments	As Restated
Sales:			
New and used vehicles	$ 19,913,416	$ -	$ 19,913,416
Parts and services and others	1,361,915	-	1,361,915
Fashion apparel and accessories	171,496	-	171,496
Net sales	21,446,827	-	21,446,827
Cost of sales:			
New and used vehicles	(17,485,282)	-	(17,485,282)
Parts and services and others	(368,250)	-	(368,250)
Fashion apparel and accessories	(131,416)	-	(131,416)
Total cost of sales	(17,984,948)	-	(17,984,948)
Gross profit:			
New and used vehicles	2,428,134	-	2,428,134
Parts and services and others	993,665	-	993,665
Fashion apparel and accessories	40,080	-	40,080
Total gross profit	3,461,879	-	3,461,879
Selling, general and administrative expenses	(3,773,477)	-	(3,773,477)
Operating loss	(311,598)	-	(311,598)
Other income (expenses)			
Interest expenses and other finance costs	(131,763)	-	(131,763)
Other income	321,560	-	321,560
Total other income (expenses)	189,797	-	189,797
Loss before income taxes	(121,801)	-	(121,801)
Provision for income taxes	-	-	-
Net loss including noncontrolling interests	(121,801)	-	(121,801)
Net loss attributable to:			
China Premium Lifestyle Enterprise, Inc common stockholders	(229,320)		(229,320)
Noncontrolling interests	107,519	-	107,519
	$ (121,801)	$ -	$ (121,801)
Loss per share of common stock attributable to China Premium Lifestyle Enterprise, Inc common stockholders			
Basic	$ (0.0092)	$ (0.0006)	$ (0.0098)
Diluted	$ (0.0092)	$ (0.0006)	$ (0.0098)
Weighted average number of shares outstanding			
Basic	24,936,216	(1,612,356)	23,323,860
Diluted	24,936,216	(1,612,356)	23,323,860

End of condensed consolidated financial statements.

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

FORWARD-LOOKING STATEMENTS

The following discussion of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes thereto. The following discussion contains forward-looking statements. The words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "believe," "plan," "intend "or similar expressions are intended to identify "forward-looking statements." Such statements include those concerning expected financial performance, corporate strategy, and operational plans. Actual results could differ materially from those projected in the forward-looking statements as a result of a number of risks and uncertainties, including: (a) general economic conditions in Hong Kong, Macau and China; (b) regulatory factors in Hong Kong, Macau and China that may lead to additional costs or otherwise negatively affect our business; (c) whether we are able to manage our planned growth efficiently, including whether our management will be able to: (i) identify, hire, train, retain, motivate and manage required personnel or (ii) successfully manage and exploit existing and potential market opportunities; (d) whether we are able to generate sufficient revenues or obtain financing to sustain and grow our operations; (e) whether we are able to successfully fulfill our primary cash requirements which are explained below under "Liquidity and Capital Resources;" and (f) whether worldwide economic conditions will negatively affect the automobile retail industry in Hong Kong, Macau and China. Statements made herein are as of the date of the filing of this Form 10-Q with the United States Securities and Exchange Commission and should not be relied upon as of any subsequent date. Unless otherwise required by applicable law, we do not undertake, and we specifically disclaim any obligation, to update any forward-looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement.

RESTATEMENTS

The Company is restating its consolidated financial statements as of March 31, 2009 and for the three month periods ended March 31, 2009 and 2008 in this amendment to the Company's Quarterly Report on Form 10-Q/A for the period ended March 31, 2009. All amounts in Management's Discussion and Analysis of Financial Condition and Results of Operations that are the subject of these restatements in the financial statements filed herewith have been adjusted, as appropriate, for the effects of the restatement. For a more detailed discussion of the restatements and their underlying circumstances, please refer to the Explanatory Note at the beginning of this Report and Note 14 of the Notes to the consolidated financial statements included in this Report.

COMPANY OVERVIEW

China Premium Lifestyle Enterprise, Inc. is in the business of the importation, distribution and sales of 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 (which for the purpose of this report excludes Hong Kong, Macau and Taiwan, and hereinafter "China"). Currently, the Company's main business is its ownership interest in Technorient Limited, a Hong Kong corporation ("Technorient"). The business of the subsidiaries of Technorient Limited consists mainly of importation, distribution, and after-sales service of Italian "Ferrari" and "Maserati" branded cars and spare parts in Hong Kong, Macau and China. During 2008, through its wholly-owned subsidiary, CPMM (Asia) Limited ("CPMM Asia"), the Company implemented its plan to import, distribute and sell premium brand apparel in Hong Kong, Macau, China and Taiwan.

THE BUSINESS OF TECHNORIENT

The Company's main business is its 49% ownership interest in Technorient. Technorient is a corporation formed 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"), Italian Motors (Sales & Service) Limited ("IML") and King Express Group Limited ("King Express"). Collectively, Auto Italia, Italian Motors, IML, German Motors and King Express are hereafter referred to as the "Technorient Group". Originally founded in 1974 as German Motors, Technorient has served as the holding company for Auto Italia, IML and German Motors since 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. On April 24, 2008, Auto Italia formed a wholly-owned subsidiary named Success Master Holdings Limited, in Hong Kong. This new entity currently does not have any operations. On August 7, 2008, IML formed a wholly owned subsidiary named Nanjing Auto Italia Car Trading Co., Ltd. in China to engage in the distribution of Ferrari and Maserati cars in Nanjing.

IML is a 1% equity holder in Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd., 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. We refer to Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd. as the "Shanghai JV". The Shanghai JV is building a network of dealerships for Ferrari and Maserati in China.

Auto Italia and Italian Motors operate from eight locations in Hong Kong and China, incorporating sales, spare parts, service and body and paint shop facilities for Ferrari and Maserati. Management believes that the group has a well-established customer base comprised of high net worth individuals in Hong Kong and China and enjoys through its sales performance and reputation for first class facilities and customer service, and excellent relationship with senior management of both Ferrari S.p.A. and Maserati S.p.A.

Management of Technorient views the rapid development of the consumer market in China, particularly the market for luxury products, as an opportunity to leverage the Company's existing high net worth customer base and reputation to develop a platform for distribution of a wide range of luxury items, including additional high end (performance) autos, luxury yachts and other premium lifestyle items.

In October 2007, King Express was appointed by AgustaWestland as its exclusive distributor for the complete fleet of AgustaWestland commercial helicopters in Hong Kong and Macau. It also has the right to sell to the highly strategic Pearl River Delta region of Southern China on a non-exclusive basis. Currently the AgustaWestland helicopters business is in its preparatory stage with the likely arrival of the first helicopter anticipated at the beginning of 2010.

THE BUSINESS OF CPMM ASIA

On January 18, 2008, CPMM Asia entered into a License and Supply Agreement (the "Agreement") with Akkurate Ltd. ("Akkurate") and Falber Confezioni S.R.L. ("Falber") for a term of 10 seasons through approximately January 31, 2013. The Agreement grants CPMM Asia the exclusive right to sell men's and women's Ready-to-Wear John Richmond, Richmond X, and Richmond Denim ("Products") and to open points of sale identified by the signs of Products identified by the "John Richmond," "Richmond," "Richmond X," and "Richmond Denim" marks (collectively, the "Signs") in China, Hong Kong, Macau and Taiwan (the "Exclusivity Area"), which Products will be supplied by Falber. In addition, CPMM Asia has the right to use the Signs, and to open and manage in the Exclusivity Area mono-brand shops identified by the Signs for the sale of the Products and other articles identified by the Signs. CPMM Asia also has the right to sublicense these rights to third parties. The first mono brand shop of "Richmond X" was opened in Hong Kong at the end of 2007. In early May 2008, CPMM Asia opened a second mono brand shop in Hong Kong.

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 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

In preparing our financial statements, we make estimates, assumptions and judgments that can have a significant effect on our revenues, income or loss from operations, and net income or net loss, as well as on the value of certain assets on our balance sheet. We believe that there are several accounting policies that are critical to an understanding of our historical and future performance as these policies affect the reported amounts of revenues, expenses, and significant estimates and judgments applied by management. While there are a number of accounting policies, methods and estimates affecting our financial statements, the following policies are considered critical. In addition, you should refer to our accompanying condensed consolidated balance sheet as of March 31, 2009 and the condensed consolidated statements of operations for the three months ended March 31, 2009 and 2008, and the related notes thereto, for further discussion of our accounting policies.

Trade receivables and provision for bad debts

Trade receivables, net of provision for bad debts, are concentrated with the receivables from customers. We periodically record a provision for bad debts based on our judgment resulting from an evaluation of the collectability of trade receivables by assessing, among other factors, our customer's willingness or ability to pay, repayment history, general economic conditions, and the ongoing relationship with our customers. The total amount of this provision is determined by first identifying the receivables of customers that are considered to be a higher credit risk based on their current overdue accounts, difficulties in collecting from these customers in the past and their overall financial condition. For each of these customers, we estimate the extent to which the customer will be able to meet its financial obligation, and record a provision that reduces our trade receivables for that customer to the amount that we reasonably believe will be collected. Additional provisions may be required in the future if the financial condition of our customers or general economic conditions deteriorate, thereby reducing net earnings. Historically our provisions for bad debts have been sufficient to cover actual credit losses, and we believe that the provisions recorded at the balance sheet dates are sufficient.

Inventory, net

Inventory consists primarily of new and used vehicles held for sale, and vehicle parts and accessories, and are stated at the lower of cost or market. The new and used vehicles are valued using the specific identification method and the costs include acquisition and transportation expenses. The value of the parts and accessories are valued at the first-in, first-out method and are stated at the lower of cost or market. Fashion apparel inventory is valued at the first-in, first-out method and is stated at the lower of cost or market. Write-down of potentially obsolete or slow-moving inventory is recorded based on our analysis of inventory levels and assessment of estimated obsolescence based upon assumptions about future demand and market conditions. Historically our actual physical inventory count results have shown our estimates of write-down of potentially obsolete or slow-moving inventory to be reliable. However, additional provisions may be required in the future if general economic conditions deteriorate, thereby reducing net earnings.

Share-based compensation

We have adopted SFAS No. 123(R), Share-Based Payment, as amended and interpreted, for our share-based compensation. We utilized the modified prospective method approach, pursuant to which we record compensation for all share-based awards granted based on their fair value. The estimate of the fair value of the share-based compensation requires the input of subjective assumptions. Changes in the subjective assumptions could materially affect the estimate of fair value of share-based compensation; however, based on an analysis using changes in certain assumptions that could be reasonably possible in the near term, we believe the effect on the share-based compensation recognized would not have been material.

Stock-based compensation expense is based on awards that are ultimately expected to vest. We evaluate the assumptions used to value our awards and if factors change, we employ different assumptions. If there are any modifications or cancellations of the underlying unvested securities, we may be required to accelerate, increase or cancel any remaining unearned stock-based compensation expense. Future stock-based compensation expense and unearned stock-based compensation will increase to the extent that we grant additional equity awards to employees.

Revenue recognition

Revenue consists of sales of new and used vehicles, vehicle maintenance and repair services, and sales of vehicle parts and sales of fashion apparel. Revenues from the following components are recognized as follows:

(i) Sales of new and used vehicles are recognized when a sales contract has been executed and the vehicle's title has passed.

(ii) Sales of fashion apparel and accessories are recognized when the products have been delivered and title has passed.

(iii) Sales of vehicle parts are recognized when the parts have been delivered and the title has passed.

(iv) Vehicle maintenance and repair income is recognized when services are fully rendered.

Impairment of long-lived assets

We evaluate long-lived assets, including property and equipment, for impairment when events and circumstances exist that indicate the carrying amount of these assets may not be recoverable. Recoverability of assets is measured by comparing the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the use of the asset. The undiscounted cash flows are subject to estimations and assumptions made by us. If the estimated undiscounted cash flows change in the future, we may be required to reduce the carrying amount of an asset.

Income taxes

We are required to estimate income tax provisions and amounts ultimately payable or recoverable in numerous jurisdictions, including Hong Kong. We account for income taxes under the provision of Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes* , ("SFAS 109") and related interpretations and guidance including FIN 48, *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109* ("Fin 48"), resulting in two components of income tax expenses: current and deferred. Current income tax expense approximates taxes to be paid or refunded for the relevant periods. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred income tax assets and liabilities are computed for differences between the financial statements carrying amounts and the tax bases of existing assets and liabilities that will result in taxable or deductible amount in the future, as well as from net operating loss and tax credit carryforwards, and are measured in accordance with the enacted tax laws and at the rates applicable in the years in which the differences are expected to be recovered or settled. A deferred tax asset is recognized if it is more likely than not that a benefit will be realized. Otherwise, we will record a valuation allowance when the utilization of the deferred tax asset is uncertain. Additional timing differences, future earning trends and/or tax strategies could warrant a need for establishing an additional valuation allowance or a reserve.

Contingencies

From time to time, we are involved in disputes, litigation and other legal proceedings. We record a charge equal to at least the minimum estimated liability for a loss contingency when both of the following conditions are met: (i) information available prior to issuance of the financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements, and (ii) the range of loss can be reasonably estimated. However, the actual liability in any such litigation may be materially different from our estimates, which could result in the need to record additional costs. Currently, we have no outstanding legal proceedings or claims that require a loss contingency.

RECENT ACCOUNTING PRONOUNCEMENTS

(a) Recent accounting pronouncements adopted

In September 2006, the Financial Accounting Standards Board ("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 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 requires additional disclosures in both annual and quarterly reports. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. In February 2008, the FASB issued FASB Staff Position ("FSP") SFAS 157-1, *Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13* ("FSP SFAS 157-1"), which states that SFAS 157 does not address fair value measurements for purposes of lease classification or measurement. In February 2008, the FASB issued FSP SFAS 157-2, *Effective Date of FASB Statement No. 157* ("FSP SFAS 157-2"), which delays the effective date for non-financial assets and non-financial liabilities to fiscal years beginning after November 15, 2008, except for items that are measured at fair value in the financial statements on a recurring basis (at least annually). The

Company adopted the provisions of SFAS 157 for its financial assets and liabilities and those items for which it has measured on a recurring basis effective January 1, 2008, and the adoption did not have a material impact on its financial position and results of operations. As provided by FSP SFAS 157-2, the Company adopted SFAS 157 for certain of its non-financial assets and liabilities on January 1, 2009 and the adoption did not have a material impact on its financial position, cash flows and results of operations.

In December 2007, the FASB issued SFAS 141 (revised 2007), *Business Combinations* (“SFAS 141(R)”). SFAS 141(R) establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141(R) also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. The Company adopted SFAS 141(R) on January 1, 2009 and the adoption did not have a material impact on its financial position, cash flows and results of operations.

In December 2007, the FASB issued SFAS 160, *Noncontrolling Interests in Consolidated Financial Statements - an amendment of Accounting Research Bulletin No. 51* (“SFAS 160”). SFAS 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent’s ownership interest, and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. Upon adoption of SFAS No. 160, the Company reclassified its noncontrolling interest from minority interest to equity in the accompanying March 31, 2009 and December 31, 2008 condensed consolidated balance sheets. In addition, the Company has separately disclosed the amount of consolidated net loss attributable to the Company common stockholders and its noncontrolling interest in the accompanying March 31, 2009 and 2008 condensed consolidated statements of operations.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (“SFAS 161”). SFAS 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity’s financial position, financial performance, and cash flows. SFAS 161 achieves these improvements by requiring disclosure of the fair values of derivative instruments and their gains and losses in a tabular format. It also provides more information about an entity’s liquidity by requiring disclosure of derivative features that are credit risk-related. Finally, it requires cross-referencing within footnotes to enable financial statement users to locate important information about derivative instruments. The Company adopted SFAS 161 on January 1, 2009 and the adoption did not have a material impact on its financial position, cash flows and results of operations.

(b) Recent accounting pronouncements not yet effective

In April 2009, the FASB issued FSP SFAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* . The FSP amends SFAS No. 107, *Disclosures about Fair Value of Financial Instruments* to require disclosure about fair value of financial instruments in interim financial statements. FSP FAS 107-1 and APB 28-1 are effective for interim and annual periods ending after June 15, 2009 with early adoption permitted for periods ending after March 15, 2009. The Company does not expect the adoption of this statement to have a material impact on the Company’s financial statements.

In April 2009, the FASB issued Staff Position No. FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* , (“FSP SFAS 157-4”). FSP SFAS 157-4 provides guidelines for making fair value measurements more consistent with the principles presented in SFAS 157. FSP SFAS 157-4 provides additional authoritative guidance in determining whether a market is active or inactive, and whether a transaction is distressed, is applicable to all assets and liabilities (i.e., financial and nonfinancial) and will require enhanced disclosures. The pronouncement is effective for periods ending after June 15, 2009. The Company does not expect the adoption of this statement to have a material impact on the Company’s financial statements.

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.

RESULTS OF OPERATIONS

Results of operations comparison of three months ended March 31, 2009 to three months ended March 31, 2008

SALES

	Three months ended March 31, 2009		Three months ended March 31, 2008	
	Total Sales	**% of Total Sales**	**Total Sales**	**% of Total Sales**
Sales:				
New vehicles	$ 9,682,000	58.9%	$ 14,399,000	67.1%
Used vehicles	$ 5,040,000	30.7%	$ 5,514,000	25.7%
Parts and services and others	$ 1,284,000	7.8%	$ 1,362,000	6.4%
Fashion Apparel	$ 422,000	2.6%	$ 172,000	0.8%
Total	$ 16,428,000	100%	$ 21,447,000	100%

Sales mainly consist of sales of new and used vehicles, and sales of parts and services for vehicle maintenance and repair and sale of fashion apparel.

Total sales for the three months ended March 31, 2009 decreased by approximately $5,019,000 or 23.4% to approximately $16,428,000, compared with approximately $21,447,000 for the same period of 2008. The decrease was primarily caused by the decreased sales from our vehicle trading segment.

New vehicles sales decreased approximately $4,717,000 or 32.8% from the first quarter of 2008 to the same period of 2009 while the quantity of new vehicles sold decreased 24% for the same period. The used vehicles sales decreased approximately $474,000 or 8.6% from the first quarter of 2008 to the same period of 2009 while the quantity of used vehicles sold increased by 26% for the same period. The decrease in sales of new and used vehicles as well as parts and service sales reflected a challenging automotive retail market impacted by the unfavorable global economic conditions.

COST OF SALES

Cost of sales for the three months ended March 31, 2009 decreased to $14,674,000 from $17,985,000 for the three months ended March 31, 2008, a $3,311,000 or 18.4% decrease was consistent with the decrease in Company’s revenues during the same period.

GROSS PROFIT

Gross profit margin for the three months ended March 31, 2009 decreased by 5.4% from 16.1% for the same period of 2008 to 10.7% for the current period of 2009 and the gross profit decreased by $1,708,000 to $1,754,000 for the three months ended March 31, 2009. This decrease was mainly caused by the new and used vehicles trading segment that was negatively impacted by an overall competitive retail environment. Certain used vehicles were sold with a special discount in order to encourage the sales.

Our results of operations were adversely impacted by overall economic conditions, including a decline in consumer confidence and reduced credit availability offered to consumers by financial institutions.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses or “S,G&A” expenses includes salaries and related staffing expenses, facilities rent, rate and building management fees, legal, accounting, professional services, general corporate expenses and marketing expenses.

S,G&A for the three months ended March 31, 2009 were approximately $4,670,000, compared to approximately $3,773,000 for the same period of 2008. The approximate $897,000 increase in S,G&A expenses was primarily due to increased rental expenses, legal, professional and audit fees.

Our rent, rate and building management fees increased from approximately $702,000 for the three months ended March 31, 2008 to $1,195,000 for the same period of 2009, the increase in such fees were mainly due to development of the fashion apparel business and motor business. Legal, professional and audit fees increased from $86,000 in the three months ended March 31, 2008 to $404,000 for the same period of 2009. The increase was mainly due to the professional fees incurred for US SEC reporting and compliance obligations.

OTHER INCOME, NET

Other income for the three months ended March 31, 2009 increased to approximately $236,000 compared to approximately $190,000 for the same period of 2008, a total increase of $46,000. The increase was primarily due to the combination of increased other operating income offset by increased interest expenses and other finance costs. The other operating income is comprised of interest and rental recharge to affiliates and forfeitures of sales deposits. Such income increased from $322,000 for the three months ended 2008 to $427,000 for the same period of 2009 that was mainly due to the forfeiture of several sale deposits amounting of $77,000. Interest expenses and other finance costs increased from approximately $132,000 for the three months ended 2008 to approximately $191,000 for the same period of 2009. The funds from which our increased interest expenses were incurred were used for working capital purposes.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS FROM OPERATING ACTIVITIES

Our operations utilized cash resources of approximately $3,122,000 for the three months ended March 31, 2009, compared to generating cash resources of approximately $1,688,000 for the three months ended March 31, 2008, primarily as a net result of the following:

- € €€For the three months ended March 31, 2009, cash flow provided by sales net of operating expenses decreased by approximately $2,602,000 to cash outflow of $2,378,000. The decrease was primarily as a result of the decrease in sales.

- € €€For the three months ended March 31, 2009, account receivables decreased by approximately $9,311,000, primarily due to the collection of account receivables relating to the sales recognized in the fourth quarter.

- €€ €For the three months ended March 31, 2009, our inventory increased by approximately $7,474,000, which was caused by overall unfavorable economic conditions, including a decline in consumer confidence.

- € €€For the three months ended March 31, 2009, the increase or decrease of various current operating assets and liabilities, included in the aforementioned items, resulted in an aggregate decrease of cash inflow from operations of approximately $744,000.

CASH FLOWS FROM INVESTING ACTIVITIES

For the three months ended March 31, 2009, we expended net cash of approximately $268,000 in investing activities mainly for the acquisition of property and equipment to support the development of the PRC motor business. For the three months ended March 31, 2008, we utilized approximately $173,000 in investing activities, mainly for acquisition of property and equipment.

CASH FLOWS FROM FINANCING ACTIVITIES

During the three months ended March 31, 2009, we repaid approximately $655,000 of our obligations owed on outstanding debt as compared to approximately $2,757,000 for the three months ended March 31, 2008.

For the three months ended March 31, 2009, we received approximately $1,299,000 net advances from affiliates. For the three months ended March 31, 2008, we received approximately $1,154,000 net advances from affiliates. The advances from / to affiliates were made from / 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 portions depending on the nature of the advances.

WORKING CAPITAL REQUIREMENTS

Current assets exceeded current liabilities at March 31, 2009 by approximately $5,273,000, a decrease of $2,673,000 from December 31, 2008. The ratio of our current assets to our current liabilities was 1.12 to 1 at March 31, 2009 compared to 1.18 to 1 at December 31, 2008. At March 31, 2009, our current assets of approximately $48,406,000 included approximately $20,106,000 in inventory that was funded by the operating cash flow and trade finance facilities. Our current liabilities of approximately $43,133,000 included non-refundable 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 $23,402,000.

SEASONALITY

Our business is modestly seasonal. 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.

Not applicable to smaller reporting companies.

Item 4T. Controls and Procedures

NOTE: This Item 4T. Controls and Procedures has been updated to reflect the restatement of our audited financial statements for the years ended December 31, 2008, 2007 and 2006, the restatement of our unaudited interim financial statements for the periods ended September 30, 2006 through September 30, 2009, the amendment of certain Notes to our audited financial statements for our former fiscal year ended June 30, 2006 and the amendment of certain Notes to our unaudited interim financial statements for the period ended March 31, 2006, as discussed above in the Explanatory Note at the beginning of this Report and in Note 14 of the Notes to the consolidated financial statements included in this Report.

Reevaluation of Effectiveness of Internal Control over Financial Reporting and Disclosure Controls and Procedures

This Form 10-Q/A presents restatements of the financial statements for the covered period. In connection with this Form 10-Q/A, our management reevaluated the effectiveness of our internal control over financial reporting and our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of March 31, 2009. In assessing whether our internal control over financial reporting and disclosure controls and procedures were effective as of such date, our management considered the impact of the restatements to our consolidated audited financial statements for the period ended March 31, 2009, as outlined in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations under the section heading "Restatements," as well as our control environment. In connection with our reevaluation, we discovered material weaknesses in our internal control over financial reporting and determined that our disclosure controls and procedures were not adequate as of the end of the period covered by this report.

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting as required by Section 404A of the Sarbanes-Oxley Act of 2002 (“SOX”). Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Our internal control over financial reporting includes those policies and procedures that:

•€€ €pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets;

•€€ €provide reasonable assurance that our transactions are recorded as necessary to permit preparation of our financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors; and

•€ €€provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal controls over financial reporting may vary over time. Our system contains self monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

During the pendency of the Federal Court Action and preparing for our 2009 year end evaluation of effectiveness of our system of internal control over financial reporting based on the framework in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and SEC guidance on conducting such assessments, our management concluded that our system of internal control over financial reporting was not effective as of the period ended March 31, 2006 through the period ended September 30, 2009, which resulted in restatements described in the Explanatory Note at the beginning of this Report and Note 14 of the Notes to the consolidated financial statements included in this Report.

Our management has identified internal control deficiencies which resulted in the material restatements described above and which, in our management’s judgment, represented a material weakness in internal control over financial reporting. The control deficiencies related to controls over the accounting and disclosure for certain transactions to ensure that such transactions were recorded as necessary to permit preparation of financial statements and disclosure in accordance with GAAP.

Specifically, the control deficiencies related to:

•€ €€the invalid adoption of certain purported amendments to our Articles of Incorporation,

•€ €€the unauthorized issuance by prior management of shares of our capital stock, and

•€ €€the lack of recognition of the receipt of services from certain third party consultants on our financial statements.

A material weakness in internal controls is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements would not be prevented or detected on a timely basis by us.

In the course of our revised assessment of internal controls over financial reporting, we also re-assessed our disclosure controls and procedures as defined in Rule 13a-15(e) of the Exchange Act. Our management is responsible for establishing and maintaining an adequate system of disclosure controls and procedures designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file and submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls also are designed to reasonably assure that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Disclosure controls include components of internal control over financial reporting, which consists of control processes designated to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with United States generally accepted accounting principles.

We have determined that our material weakness in internal controls over financial reporting was also a weakness in our disclosure controls and procedures, since such weakness related to the disclosure controls which provide us with reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles.

In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and in reaching a reasonable level of assurance our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on its assessment, including consideration of the aforementioned material weaknesses, and the criteria discussed above, management has restated its conclusion relative to the effectiveness of our internal control over financial reporting and disclosure controls and procedures as of March 31, 2009. Accordingly, our management has concluded that our internal control over financial reporting and our disclosure controls and procedures were not effective as of March 31, 2009 to provide reasonable assurance that information required to be disclosed by us in the reports that we file under the Exchange Act is recorded, processed, and summarized within the appropriate periods.

Our management is responsible for establishing and maintaining an adequate system of disclosure controls and procedures designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file and submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls also are designed to reasonably assure that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Disclosure controls include components of internal control over financial reporting, which consists of control processes designated to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP.

We have determined that our material weakness in internal controls over financial reporting was also a weakness in our disclosure controls and procedures, since such weakness related to the disclosure controls which provide us with reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP.

In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and in reaching a reasonable level of assurance our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on its assessment, including consideration of the above-mentioned material weakness, and the criteria discussed above, management has restated its conclusion relative to the effectiveness of our internal control over financial reporting and disclosure controls and procedures as of March 31, 2009. Accordingly, our management has concluded that our internal control over financial reporting and that our disclosure controls and procedures were not effective as of March 31, 2009 to provide reasonable assurance that information required to be disclosed by us in the reports that we file under the Exchange Act is recorded, processed, and summarized within the appropriate periods.

Management will continue to evaluate the effectiveness of our internal controls over financial reporting and our disclosure controls and procedures on an ongoing basis, and has taken action and implemented improvements as necessary.

Changes in Internal Controls over Financial Reporting

No changes to our internal control over financial reporting or disclosure controls and procedures were made to rectify the material weakness during the period covered by this Form 10-Q/A because such weakness was not known at that time. However, subsequent to the period, we remediated this weakness by:

•€ €€retaining new advisors to advise us and adopting a policy to consult with such advisors (or other outside experts) regarding complex legal and accounting issues;

•€ €€completing a review and updated risk assessment of all of our financial controls and procedures; and

•€ €€reviewing and instituting controls for each weakness.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

This Item should be read in conjunction with Notes 8, 9 and 13 to the Company's Consolidated Financial Statements (Unaudited) as of March 31, 2009.

The Company is currently engaged in litigation (the "Federal Court Action") with respect to certain shares of the Company' purported Series A Convertible Preferred Stock (the "Disputed Preferred Shares") purportedly issued to Happy Emerald Limited ("HEL") and certain shares of the Company's Common Stock purportedly issued upon the conversion of certain of the Disputed Preferred Shares (the "Disputed Conversion Shares" and together with the Disputed Preferred Shares, the "Disputed Shares"). On May 5, 2009, the Company filed its First Amended Complaint in the Federal Court Action.

In its First Amended Complaint, the Company has asserted that the Disputed Shares have never been earned and has asserted claims for Securities Fraud, Breach of Contract, Fraud, Conversion, Unjust Enrichment, Constructive Trust, Breach of Fiduciary Duty and Declaratory Relief. In addition, as more fully discussed in Note 13 to the Company's Consolidated Financial Statements (Unaudited) as of March 31, 2009, the Company has determined that the Company has never been authorized to issue any shares of any class or series of preferred stock, including the Disputed Preferred Shares. As a result, in addition to its other claims against HEL and the defendants, the Company has asserted in the First Amended Complaint that all of the Disputed Shares are void and subject to cancellation.

In a related matter, the Company was named as a defendant in a state court action, styled *Federico G. Cabo, et al. v. China Premium Lifestyle Enterprise, Inc., et al.,* California Superior Court, Ventura County, Case No. 56-2008-00333382-CU-BC-VTA (the "State Court Action"). The plaintiffs in the State Court Action (defendants in the Federal Court Action) Federico Cabo, Fred De Luca, and Nevada Global, asserted various claims against multiple defendants relating to the Preferred Shares issued to HEL in which these plaintiffs claim an interest. The plaintiffs asserted claims for estoppels, slander of title, conversion and constructive trust against the Company in the State Court Action. By agreement with the plaintiffs in the State Court Action, the State Court Action was dismissed, without prejudice, and it is anticipated that the same or similar claims will be asserted in the Federal Court Action. The Company denies any such alleged wrongdoing and will vigorously defend these claims if they are asserted in the Federal Court Action. The Company, however, is unable to evaluate the likelihood of an outcome, favorable or unfavorable, to the Company at this time or to estimate the amount or range of a possible loss.

Effective March 1, 2010, the Company settled the Federal Court Action. Under the terms of the settlement: (1) the defendants agreed to return to the Company for cancellation 247,798 shares of preferred stock and 4,569,619 shares of common stock; (2) Mr. De Luca resigned from the Company's board of directors effective March 1, 2010; (3) the parties executed a mutual release; and (4) the Company dismissed the action with prejudice.

In December 2006, the Company had delivered 65,454 shares of preferred stock to Bern Noble, Ltd. ("Bern Noble") for consulting services rendered in connection with the Exchange. In March 2007, Bern Noble converted such shares into 1,210,631 shares of common stock. As discussed in the Explanatory Note at the beginning of this Report and as previously disclosed in the Company's Current Report on Form 8-K, as filed with the SEC on May 11, 2009, the Company later determined that it was never authorized to issue any shares of preferred stock. In connection with the settlement, Bern Noble agreed to return to us for cancellation the 1,210,631 shares of common stock. We also agreed to replace the shares with an equal number of new shares of common stock in consideration of services rendered to us in 2006 in connection with the closing of the Amended Share Exchange Agreement. We agreed to deliver the replacement shares in nine monthly installments.

In the ordinary course of its business, and other than as set forth above or as described in the notes to our condensed consolidated financial statements, we and our subsidiaries may be involved from time to time in various pending or threatened legal proceedings, arising from the conduct of business. After consultation with legal counsel and a review of available facts, it is management's opinion that these proceedings, after consideration of any reserves and rights to indemnification, ultimately will be resolved without materially affecting our consolidated financial position. However given the indeterminate amounts that may be sought in these proceedings and the inherent difficulty in predicting the outcome of such legal proceedings, including the proceeding described above, it is possible that an adverse outcome in certain matters could be material to our operating results for any particular reporting period.

Item 1A. Risk Factors.

Not applicable to smaller reporting companies.

Item 5. Other Information.

During the three months ended March 31, 2009, 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 No.	Description
2.1	Share Exchange Agreement dated July 15, 2006 among the Company, Fred De Luca, Corich Enterprises, Inc., Herbert Adamczyk and Technorient Limited, incorporated by reference from the Form 8-K/A filed with the SEC on July 28, 2006.
2.2	Reformation of Share Exchange Agreement dated May 5, 2009 among the Company, Corich Enterprises, Inc., Herbert Adamczyk, Technorient Limited and Orient Financial Services, Ltd., incorporated by reference from the Form 8-K filed with the SEC on May 11, 2009.
3.1	Articles of Incorporation, dated as of April 19, 2004, incorporated by reference from the Company's Form SB-2 Registration Statement filed with the SEC on November 26, 2004 (File No. 333-120807).
3.2	By-Laws of Xact Aid Inc., incorporated by reference from the Company's Form SB-2 Registration Statement filed with the SEC on November 26, 2004 (File No. 333-120807).
3.3	Certificate of Amendment to Articles of Incorporation, effective date December 27, 2006, incorporated by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 2007 filed with the SEC on March 31, 2008.
3.4	Certificate of Amendment to Articles of Incorporation, effective date December 7, 2007, incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on December 10, 2007.
31.1	Certification of Chief Executive Officer pursuant to Rule 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 Rule 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. Section 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:	May 17, 2010	By: /s/ Richard Man Fai Lee Richard Man Fai Lee Chief Executive Officer
Date:	May 17, 2010	By: /s/ Joseph Tik Tung Wong Joseph Tik Tung Wong Chief Financial Officer

EXHIBIT INDEX

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32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002), filed herewith.

EXHIBIT 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 302

OF THE SARBANES-OXLEY ACT OF 2002

I, Richard Man Fai Lee, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A for the quarter ended March 31, 2009 of China Premium Lifestyle Enterprise, Inc.

2. Based on my knowledge, this 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 report.

4. The registrant's other certifying officer(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. 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

d. 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.

5. The registrant's other certifying officer(s) 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 the registrant's board of directors (or persons performing the equivalent functions):

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. 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.

May 17, 2010

By: /s/ Richard Man Fai Lee

Richard Man Fai Lee
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 302

OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph Tik Tung Wong, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A for the quarter ended March 31, 2009 of China Premium Lifestyle Enterprise, Inc.

2. Based on my knowledge, this 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 report.

4. The registrant's other certifying officer(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. 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

d. 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.

5. The registrant's other certifying officer(s) 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 the registrant's board of directors (or persons performing the equivalent functions)

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.

May 17, 2010

By: /s/ Joseph Tik Tung Wong

Joseph Tik Tung Wong
Chief Financial Officer, Treasurer and Secretary
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION

OF

CHIEF EXECUTIVE OFFICER

AND

CHIEF FINANCIAL OFFICER

**PURSUANT TO 18 U.S.C. 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard Man Fai Lee, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q/A of China Premium Lifestyle Enterprise, Inc. for the quarter ended March 31, 2009 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q/A fairly presents, in all material respects, the financial condition and results of operations of China Premium Lifestyle Enterprise, Inc.

I, Joseph Tik Tung Wong, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q/A of China Premium Lifestyle Enterprise, Inc. for the quarter ended March 31, 2009 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q/A fairly presents, in all material respects, the financial condition and results of operations of China Premium Lifestyle Enterprise, Inc.

May 17, 2010

By: /s/ Richard Man Fai Lee
Richard Man Fai Lee
Chief Executive Officer
(Principal Executive Officer)

May 17, 2010

By: /s/ Joseph Tik Tung Wong
Joseph Tik Tung Wong
Chief Financial Officer, Treasurer and Secretary
(Principal Financial and Accounting Officer)

This certification accompanies the Form 10-Q/A to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of China Premium Lifestyle Enterprise, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q/A), irrespective of any general incorporation language contained in such filing.