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 June 30, 2008 filed on May 28, 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 31, 2010

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

FORM 10-Q/A
(Amendment No. 1)

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

For the quarterly period ended: June 30, 2008

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 x No o

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

Large Accelerated Filer o Accelerated Filer o Non-Accelerated Filer o Smaller Reporting Company x

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

The number of shares of common stock outstanding as of August 1, 2008 was 23,323,860.

EXPLANATORY NOTE

As used in this Amendment No. 1 (the “Form 10-Q/A”) to our Quarterly Report on Form 10-Q for the six months ended June 30, 2008 (the “Second Quarter 2008 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 Second Quarter 2008 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 June 30, 2008 and for the three and six months ended June 30, 2008 and 2007.

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.

Background

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 June 30, 2008 and December 31, 2007, 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 June 30, 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. At December 31, 2007, preferred stock decreased by $496, common stock decreased by $6,053, additional paid-in-capital decreased by $1,462,381 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 June 30, 2008 and December 31, 2007;

- on the condensed consolidated statement of operations, for the three months ended June 30, 2008, basic and diluted earnings per share increased by $0.0033 and $0.0052, respectively, for the six months ended June 30, 2008, basic and diluted earnings per share increased by $0.0010 and $0.0019, respectively, for the three months ended June 30, 2007, basic and diluted earnings per share increased by $0.0031 and $0.0077, respectively, and for the six months ended June 30, 2007, basic earnings per share decreased by $0.0022 and diluted earnings per share increased by $0.0012; and

- for the three months ended June 30, 2008, the basic and diluted weighted average number of outstanding shares decreased by 5,780,250 and 10,349,869, respectively, for the six months ended June 30, 2008, the basic and diluted weighted average number of outstanding shares decreased by 3,696,303 and 8,265,922, respectively, for the three months ended June 30, 2007, the basic weighted average number of outstanding shares decreased by 3,671,260 and the diluted weighted average number of outstanding shares decreased by 12,810,496, and for the six months ended June 30, 2007, the basic weighted average number of outstanding shares increased by 5,020,965 and the diluted weighted average number of outstanding shares decreased by 4,118,271.

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 Second Quarter 2008 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* ,” “ *Company Overview and History* ” and “ *Working Capital Requirements* ;”

- Part I, Item 4T. Controls and Procedures; 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 Second Quarter 2008 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 Second Quarter 2008 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 Second Quarter 2008 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 Second Quarter 2008 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 Second Quarter 2008 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/A

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2008

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PART I: FINANCIAL INFORMATION

Item 1. Financial Statements.

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF JUNE 30, 2008 AND
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2008 AND 2007

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	June 30, 2008 (Restated) (unaudited)	December 31, 2007 (Restated)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,925,848	$ 6,583,566
Restricted cash	1,154,157	1,154,226
Trade receivables, net of provision	6,562,508	10,440,455
Inventory, net	16,364,246	9,162,934
Prepayments	358,552	133,863
Other current assets	5,298,280	2,931,877
Amounts due from affiliates	11,727,114	10,226,161
Total current assets	46,390,705	40,633,082
Property and equipment, net	1,960,326	2,050,850
Goodwill	39,488	39,436
TOTAL ASSETS	$ 48,390,519	$ 42,723,368
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 4,485,011	$ 5,274,838
Obligations under finance lease - current portion	-	110,996
Bills payable	2,018,140	2,659,191
Trade payables	3,506,099	1,063,265
Deposits received	22,738,830	16,306,698
Other current liabilities	3,168,471	7,088,429
Amounts due to affiliates	2,418,124	1,457,134
TOTAL LIABILITIES	38,334,675	33,960,551
Minority interests	5,921,039	4,918,636
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 June 30, 2008; (23,323,860 shares as at December 31, 2007)	116,619	116,619
Additional paid-in-capital	4,119,108	4,119,108
Accumulated other comprehensive income	248,445	118,892
Accumulated deficit	(349,367)	(510,438)
TOTAL STOCKHOLDERS' EQUITY	4,134,805	3,844,181
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 48,390,519	$ 42,723,368

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

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three months ended June 30,		Six months ended June 30,	
	2008 (Restated)	2007 (Restated)	2008 (Restated)	2007 (Restated)
Sales:				
New and used vehicles	$ 29,565,593	$ 23,646,806	$ 49,479,009	$ 39,470,781
Parts and services and others	1,682,337	1,469,599	3,215,748	2,656,267
Net sales	31,247,930	25,116,405	52,694,757	42,127,048
Cost of sales:				
New and used vehicles	(25,574,673)	(20,995,511)	(43,059,955)	(35,145,314)
Parts and services and others	(472,994)	(426,763)	(972,660)	(768,862)
Total cost of sales	(26,047,667)	(21,422,274)	(44,032,615)	(35,914,176)
Gross profit:				
New and used vehicles	3,990,920	2,651,295	6,419,054	4,325,467
Parts and services and others	1,209,343	1,042,836	2,243,088	1,887,405
Total gross profit	5,200,263	3,694,131	8,662,142	6,212,872
Selling, general and administrative expenses	(4,469,773)	(2,977,660)	(8,243,250)	(5,612,769)
Operating earnings	730,490	716,471	418,892	600,103
Other income (expenses)				
Interest expenses	(128,957)	(244,693)	(260,720)	(421,980)
Share of result of an associate	-	(38,168)	-	(78,060)
Other income	683,742	394,489	1,005,302	484,832
Total other income (expenses)	554,785	111,628	744,582	(15,208)
Earnings before minority interests and income taxes	1,285,275	828,099	1,163,474	584,895
Provision for income taxes	-	-	-	-
Earnings before minority interests	1,285,275	828,099	1,163,474	584,895
Minority interests	(894,884)	(439,501)	(1,002,403)	(456,296)
Net earnings	$ 390,391	$ 388,598	$ 161,071	$ 128,599
Earnings per share				
Basic	$ 0.0167	$ 0.0196	$ 0.0069	$ 0.0065
Diluted	$ 0.0167	$ 0.0196	$ 0.0069	$ 0.0065
Weighted average number of common stock outstanding				
Basic	23,323,860	19,785,836	23,323,860	19,785,836
Diluted	23,323,860	19,785,836	23,323,860	19,785,836

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

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six months ended June 30, 2008	2007
Operating activities:		
Net earnings	$ 161,071	$ 128,599
ıstments to reconcile net earnings to net cash provided by operating activities		
Minority interests	1,002,403	456,296
Depreciation and amortization	404,026	348,183
Disposal of property and equipment	(130,168)	-
Provision for bad debts and bad debts written off / (bad debts written back)	(28,635)	21,607
Provision for inventory written back	-	(8,967)
Equity earnings of an associate	-	78,060
Other non-cash items	110,521	28,959
Changes in operating assets and liabilities:		
Trade receivables	3,906,582	5,662,411
Other current assets and prepayments	(2,591,092)	(502,848)
Inventory	(7,201,312)	(4,803,833)
Trade payables	2,442,834	1,245,068
Other current liabilities and deposits received	2,512,174	664,012
Net cash provided by operating activities	588,404	3,317,547
Investing activities:		
Purchases of property and equipment	(495,143)	(73,856)
Proceeds from disposal of property and equipment	330,858	-
Net cash used in investing activities	(164,285)	(73,856)
Financing activities:		
Advances to affiliates	(539,963)	(4,745,629)
Advances to an associate	-	(612,829)
Decrease in borrowings and bills payable	(1,541,874)	(914,253)
Net cash used in financing activities	(2,081,837)	(6,272,711)
Decrease in cash and cash equivalents	(1,657,718)	(3,029,020)
Cash and cash equivalents at beginning of the period	6,583,566	3,475,635
Cash and cash equivalents at end of the period	$ 4,925,848	$ 446,615
Supplemental disclosure of cash flows information:		
Cash paid for:		
Interest	$ 260,720	$ 421,980

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

CHINA PREMIUM LIFESTYLE ENTERPRISE, INC. AND SUBSIDIARIES

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 12.

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 2008. 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 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. 2) for the fiscal year ended December 31, 2007.

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 it best estimate of the outcome for these items based on historical trends and other information available when the condensed consolidated financial statements are prepared. Changes in estimates are recognized in accordance with the accounting principles for the estimate, which is typically in the period when new information becomes available to management. Management believes the most significant estimates affecting the condensed consolidated financial statements include provision for bad debts, provision for inventory write-off, and accounting for income taxes. Actual results could differ from those estimates.

Earnings per share

Basic earnings per share is computed by dividing net operating results for the reporting period attributable to common stockholders by the weighted average number of common stocks 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 common stocks outstanding and the dilutive effect of common stock equivalents.

Segment reporting

The Company determines and classified its operating segments in accordance SFAS No. 132 Disclosures About Segments of An Enterprise and Related Information. The Company identified and classifies its operating segments based on the nature of the products and services with similar economic characteristics. The Company's reportable segment is motor vehicles retailing, which includes sales of new and used vehicles provision of vehicle maintenance and repair services, and sales of vehicle parts.

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 and six months ended June 30, 2008 and 2007, the Company had two vendors that each accounted for more than 10% of total supply purchases. If any of the vendors terminate their relationships with the Company or if the Company's supply from the vendors is interrupted or terminated for any reason, the Company may not have sufficient time to replace the supply of products from the remaining vendors. Any such interruption would negatively impact the Company's ability to sell and distribute its products. In addition, the suppliers' concentration of risk pose effect to the concentration of risk with respect to trade payables as the Company has made certain of the purchases through credits provided by vendors.

Concentration of risk due to geographic location

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

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS

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") 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 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 157-2, Effective Date of FASB Statement No. 157 ("FSP 157-2"), which delays the effective date for non-financial assets and non-financial liabilities to fiscal years beginning after November 1 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 157-2, the Company has elected to defer the adoption of SFAS 157 for certain of its non-financial assets and liabilities and is currently evaluating the impact of adopting SFAS 157 on its non-financial assets and liabilities.

In February 2007, the FASB issued SFAS 159, The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115 ("SFAS 159"), which is effective for the Company beginning January 1, 2008. This standard permits entities to choose to measure many financial instruments and certain other items at fair value and consequently report unrealized gains and losses on such items in earnings. The Company has elected not to adopt the fair value provisions of SFAS 159 and the adoption of SFAS 159 did not have a significant impact of 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 assume 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. SFAS 141(R) will be effective for financial statements issued for fiscal years beginning after December 15, 2008, and will be adopted by the Company beginning in the first quarter of 2009. The Company does not expect there to be any significant impact of adopting SFAS 141(R) 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. SFAS 160 will be effective for financial statements issued for fiscal years beginning after December 15, 2008, and will be adopted by the Company beginning in the first quarter of 2009. The Company does not expect there to be any significant impact of adopting SFAS 160 on its financial position, cash flows and results 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. SFAS 161 will be effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, will be adopted by the Company beginning in the first quarter of 2009. The Company does not expect there to be any significant impact of adopting SFAS 161 on its financial position, cash flows and results of operations.

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

NOTE 4. EARNINGS PER SHARE

The computations of basic and diluted earnings per share are as follows for the three months and six months ended June 30, 2008 and 2007:

	Three months ended June 30,		Six months ended June 30,	
	2008 (Restated)	2007 (Restated)	2008 (Restated)	2007 (Restated)
Numerator:				
Net earnings available to common stockholders	$ 390,391	$ 388,598	$ 161,071	$ 128,599
Denominator:				
Weighted average common stock outstanding	23,323,860	19,785,836	23,323,860	19,785,836
Basic net earnings per share	$ 0.0167	$ 0.0196	$ 0.0069	$ 0.0065
Diluted net earnings per share	$ 0.0167	$ 0.0196	$ 0.0069	$ 0.0065

On December 7, 2007, the Company effected a reverse stock split pursuant to which each five outstanding shares of common stock, par value $0.001, were automatically converted into one share of common stock, par value $0.005 (the “Reverse Stock Split”). All of the share number, share prices and per-share amounts have been adjusted, on a retroactive basis, to reflect the effect of the Reverse Stock Split.

NOTE 5. INVENTORY, NET

Inventory by major categories are summarized as follows:

	June 30, 2008	December 31, 2007
New vehicles	$ 9,285,206	$ 3,364,857
Used vehicles	4,486,064	4,179,732
Parts, accessories and others	2,592,976	1,618,345
	$ 16,364,246	$ 9,162,934

Vehicles included in inventory of approximately $1,013,000 and $2,091,150 were pledged to secure the stocking loan outstanding as of June 30, 2008 and December 31, 2007, respectively (See Note 6).

NOTE 6. BORROWINGS

The Company's borrowings are summarized as follows:

	June 30, 2008	December 31, 2007
Bank borrowings	$ 3,573,549	$ 3,307,597
Stocking loans	911,462	1,967,241
Obligations under finance lease	-	110,996
Short-term borrowings	$ 4,485,011	$ 5,385,834

Vehicles included in inventory of approximately $1,013,000 and $2,091,150 were pledged to secure the stocking loan outstanding as of June 30 2008 and December 31, 2007, respectively. The finance lease outstanding as of December 31, 2007 was secured by motor vehicles included in property and equipment with a carrying value of approximately $239,041.

NOTE 7. OTHER CURRENT LIABILITIES

Other current liabilities by major categories are summarized as follows:

	June 30, 2008	December 31, 2007
Accruals	$ 830,588	$ 1,067,884
Other payables	2,337,883	6,020,545
	$ 3,168,471	$ 7,088,429

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

General

The Company's total authorized capital at June 30, 2008, is 100,000,000 shares of common stock, par value $0.005. At June 30, 2008, 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.

Operating Lease Commitments

The Company leases its dealership facilities, service center facilities and office space under non-cancellable operating leases in Hong Kong and PRC. Minimum future rental payments required under non-cancellable operating leases in effect as of June 30, 2008 are as follows:

2008	$ 1,501,582
2009	2,860,431
2010	1,902,170
2011	272,600
	$ 6,536,783

Rent expense for the three months and six months ended June 30, 2008 and 2007 was $698,503, $311,984, $1,346,974 and $598,663, respectively.

Employment Agreements

The Company maintains employment agreements with its executive officers, which extend through 2007 to 2008. The agreements provide for a base salary, annual bonus to be determined by the Board of Directors, termination payments, stock options, non-competition provisions, and other terms and conditions of employment. In addition, the Company maintains employment agreements with other key employees with similar terms and conditions. As of June 30, 2008, committed compensation to the executives and other key employees totaling approximately $115,000 remain in effect.

NOTE 10. COMPREHENSIVE INCOME

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

	Three months ended June 30,		Six months ended June 30,	
	2008	**2007**	**2008**	**2007**
Comprehensive income :				
Net earnings	$ 390,391	$ 388,598	$ 161,071	$ 128,599
Translation adjustments	32,934	94,849	129,553	92,202
Total comprehensive income, net of taxes	$ 423,325	$ 483,447	$ 290,624	$ 220,801

NOTE 11. RELATED PARTY TRANSACTIONS

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

	Notes	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Sales to:					
- Affiliates	(a)	$ 11,693	$ 5,075	$ 15,719	$ 8,910
- A related company	(b)	-	394,847	-	394,847
Purchases from:					
- Affiliates	(a)	12,928	-	14,914	5,559
- An associate	(a)	-	798,272	-	2,226,432
- A director of Technorient	(a)	-	172,926	-	172,926
Interest received from:					
- Affiliates	(c)	162,764	264,347	288,782	275,394
Management fee income from:					
- Affiliates	(d)	46,196	76,856	92,373	76,856
Service fee from:					
- An associate	(d)	-	127,352	-	260,324
Rental income received from:					
- Affiliates	(d)	38,496	-	76,978	-
Rental paid to:					
- Affiliate	(d)	6,032	-	12,665	-
Building management fee paid to:					
- Affiliate	(d)	710	-	1,318	-

Notes:

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

(b) The transaction with a related company, which was under common management by a common director of Technorient, was carried out at market price or, where no market price was available, at cost plus a percentage profit mark-up.

(c) The loans advance to an affiliates are unsecured, bear interest at 5.5% (2007: 8.5%) per annum and repayable on demand.

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

NOTE 12. RESTATEMENT OF FINANCIAL STATEMENTS

Background

In September 2006, the Company closed the transactions contemplated by that certain Share Exchange Agreement, dated July 15, 2006, by and 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 100,000,000 shares 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 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.

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 such shares would also not have been authorized. In addition, the Company was advised that the Company was 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, 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 (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

- 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 the Company's 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. The Company 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 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 June 30, 2008 and December 31, 2007, 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 June 30, 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. At December 31, 2007, preferred stock decreased by $496, common stock decreased by $6,053, additional paid-in-capital decreased by $1,462,381 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 June 30, 2008 and December 31, 2007;

- on the condensed consolidated statement of operations, for the three months ended June 30, 2008, basic and diluted earnings per share increased by $0.0033 and $0.0052, respectively, for the six months ended June 30, 2008, basic and diluted earnings per share increased by $0.0010 and $0.0019, respectively, for the three months ended June 30, 2007, basic and diluted earnings per share increased by $0.0031 and $0.0077, respectively, and for the six months ended June 30, 2007, basic earnings per share decreased by $0.0022 and diluted earnings per share increased by $0.0012; and

- for the three months ended June 30, 2008, the basic and diluted weighted average number of outstanding shares decreased by 5,780,250 and 10,349,869, respectively, for the six months ended June 30, 2008, the basic and diluted weighted average number of outstanding shares decreased by 3,696,303 and 8,265,922, respectively, for the three months ended June 30, 2007, the basic weighted average number of outstanding shares decreased by 3,671,260 and the diluted weighted average number of outstanding shares decreased by 12,810,496, and for the six months ended June 30, 2007, the basic weighted average number of outstanding shares increased by 5,020,965 and the diluted weighted average number of outstanding shares decreased by 4,118,271.

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

The condensed consolidated balance sheets have been restated as follows:

Condensed Consolidated Balance Sheets

	As of June 30, 2008		
	As Previously Reported	Adjustments	As Restated
	$	$	$
ASSETS			
Current assets:			
Cash and cash equivalents	4,925,848	-	4,925,848
Restricted cash	1,154,157	-	1,154,157
Trade receivables, net of provision	6,562,508	-	6,562,508
Inventory, net	16,364,246	-	16,364,246
Prepayments	1,827,482	(1,468,930)	358,552
Other current assets	5,298,280	-	5,298,280
Amounts due from affiliates	11,727,114	-	11,727,114
Total current assets	47,859,635	(1,468,930)	46,390,705
Property and equipment, net	1,960,326	-	1,960,326
Goodwill	39,488	-	39,488
TOTAL ASSETS	49,859,449	(1,468,930)	48,390,519
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	4,485,011	-	4,485,011
Obligations under finance lease – current portion	-	-	-
Bills payable	2,018,140	-	2,018,140
Trade payables	3,506,099	-	3,506,099
Deposits received	22,738,830	-	22,738,830
Other current liabilities	3,168,471	-	3,168,471
Amounts due to affiliates	2,418,124	-	2,418,124
TOTAL LIABILITIES	38,334,675	-	38,334,675
Minority interests	5,921,039	-	5,921,039
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			
Authorized: 100,000,000 common stock, par value $0.005			
Issued and outstanding: 2008: 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	248,445	-	248,445
Accumulated deficit	(349,367)	-	(349,367)
TOTAL STOCKHOLDERS' EQUITY	5,603,735	(1,468,930)	4,134,805
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	49,859,449	(1,468,930)	48,390,519

	As of December 31, 2007		
	As Previously Reported	Adjustments	As Restated
	$	$	$
ASSETS			
Current assets:			
Cash and cash equivalents	6,583,566	-	6,583,566
Restricted cash	1,154,226	-	1,154,226
Trade receivables, net of provision	10,440,455	-	10,440,455
Inventory, net	9,162,934	-	9,162,934
Prepayments	1,602,793	(1,468,930)	133,863
Other current assets	2,931,877	-	2,931,877
Amounts due from affiliates	10,226,161	-	10,226,161
Total current assets	42,102,012	(1,468,930)	40,633,082
Property and equipment, net	2,050,850	-	2,050,850
Goodwill	39,436	-	39,436
TOTAL ASSETS	44,192,298	(1,468,930)	42,723,368
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	5,274,838	-	5,274,838
Obligations under finance lease – current portion	110,996	-	110,996
Bills payable	2,659,191	-	2,659,191
Trade payables	1,063,265	-	1,063,265
Deposits received	16,306,698	-	16,306,698
Other current liabilities	7,088,429	-	7,088,429
Amounts due to affiliates	1,457,134	-	1,457,134
TOTAL LIABILITIES	33,960,551	-	33,960,551
Minority interests	4,918,636	-	4,918,636
Commitments and Contingencies			
Stockholders' equity			
Preferred stock			
Authorized: 100,000,000 preferred stock, par value $0.001			
Issued and outstanding: 2007: 495,791 (note 1)	496	(496)	-
Common stock	122,672	(6,053)	116,619
Authorized: 100,000,000 common stock, par value $0.005			
Issued and outstanding: 2007: 24,534,491 (note 2)			
Additional paid-in capital	5,581,489	(1,462,381)	4,119,108
Accumulated other comprehensive income	118,892	-	118,892
Accumulated deficit	(510,438)	-	(510,438)
TOTAL STOCKHOLDERS' EQUITY	5,313,111	(1,468,930)	3,844,181
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	44,192,298	(1,468,930)	42,723,368

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 June 30, 2008 and December 31, 2007.

2. At June 30, 2008 and December 31, 2007, giving effect to the transactions related to the restatements discussed in this Note 12, there were issued and outstanding 23,323,860 shares of common stock.

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

Condensed Consolidated Statements of Operation

	For the 3 months ended June 30, 2008		
	As Previously Reported	**Adjustments**	**As Restated**
Sales:			
New and used vehicles	$ 29,565,593	$ -	$ 29,565,593
Parts and services and others	1,682,337	-	1,682,337
Net sales	31,247,930	-	31,247,930
Cost of sales:			
New and used vehicles	(25,574,673)	-	(25,574,673)
Parts and services and others	(472,994)	-	(472,994)
Total cost of sales	(26,047,667)	-	(26,047,667)
Gross profit:			
New and used vehicles	3,990,920	-	3,990,920
Parts and services and others	1,209,343	-	1,209,343
Total gross profit	5,200,263	-	5,200,263
Selling, general and administrative expenses	(4,469,773)	-	(4,469,773)
Operating earnings	730,490	-	730,490
Other income (expenses)			
Interest expenses	(128,957)	-	(128,957)
Share of result of an associate	-	-	-
Other income	683,742	-	683,742
Total other income (expenses)	554,785	-	554,785
Earnings before minority interests and income taxes	1,285,275	-	1,285,275
Provision for income taxes	-	-	-
Earnings before minority interests	1,285,275	-	1,285,275
Minority interests	(894,884)	-	(894,884)
Net earnings	$ 390,391	$ -	$ 390,391
Earnings per share			
Basic	$ 0.0134	$ 0.0033	$ 0.0167
Diluted	$ 0.0115	$ 0.0052	$ 0.0167
Weighted average number of common shares outstanding			
Basic	29,104,110	(5,780,250)	23,323,860
Diluted	33,673,729	(10,349,869)	23,323,860

	For the 6 months ended June 30, 2008		
	As Previously Reported	Adjustments	As Restated
Sales:			
New and used vehicles	$ 49,479,009	$ -	$ 49,479,009
Parts and services and others	3,215,748	-	3,215,748
Net sales	52,694,757	-	52,694,757
Cost of sales:			
New and used vehicles	(43,059,955)	-	(43,059,955)
Parts and services and others	(972,660)	-	(972,660)
Total cost of sales	(44,032,615)	-	(44,032,615)
Gross profit:			
New and used vehicles	6,419,054	-	6,419,054
Parts and services and others	2,243,088	-	2,243,088
Total gross profit	8,662,142	-	8,662,142
Selling, general and administrative expenses	(8,243,250)	-	(8,243,250)
Operating earnings	418,892	-	418,892
Other income (expenses)			
Interest expenses	(260,720)	-	(260,720)
Share of result of an associate	-	-	-
Other income	1,005,302	-	1,005,302
Total other income (expenses)	744,582	-	744,582
Earnings before minority interests and income taxes	1,163,474	-	1,163,474
Provision for income taxes	-	-	-
Earnings before minority interests	1,163,474	-	1,163,474
Minority interests	(1,002,403)	-	(1,002,403)
Net earnings	$ 161,071	$ -	$ 161,071
Earnings per share			
Basic	$ 0.0059	$ 0.0010	$ 0.0069
Diluted	$ 0.0050	$ 0.0019	$ 0.0069
Weighted average number of common shares outstanding			
Basic	27,020,163	(3,696,303)	23,323,860
Diluted	31,589,782	(8,265,922)	23,323,860

	For the 3 months ended June 30, 2007		
	As Previously Reported	Adjustments	As Restated
Sales:			
New and used vehicles	$ 23,646,806	$ -	$ 23,646,806
Parts and services and others	1,469,599	-	1,469,599
Net sales	25,116,405	-	25,116,405
Cost of sales:			
New and used vehicles	(20,995,511)	-	(20,995,511)
Parts and services and others	(426,763)	-	(426,763)
Total cost of sales	(21,422,274)	-	(21,422,274)
Gross profit:			
New and used vehicles	2,651,295	-	2,651,295
Parts and services and others	1,042,836	-	1,042,836
Total gross profit	3,694,131	-	3,694,131
Selling, general and administrative expenses	(2,977,660)	-	(2,977,660)
Operating earnings	716,471	-	716,471
Other income (expenses)			
Interest expenses	(244,693)	-	(244,693)
Share of result of an associate	(38,168)	-	(38,168)
Other income	394,489	-	394,489
Total other income (expenses)	111,628	-	111,628
Earnings before minority interests and income taxes	828,099	-	828,099
Provision for income taxes	-	-	-
Earnings before minority interests	828,099	-	828,099
Minority interests	(439,501)	-	(439,501)
Net earnings	$ 388,598	$ -	$ 388,598
Earnings per share			
Basic	$ 0.0165	$ 0.0031	$ 0.0196
Diluted	$ 0.0119	$ 0.0077	$ 0.0196
Weighted average number of common shares outstanding			
Basic	23,457,096	(3,671,260)	19,785,836
Diluted	32,596,332	(12,810,496)	19,785,836

	For the 6 months ended June 30, 2007		
	As Previously Reported	Adjustments	As Restated
Sales:			
New and used vehicles	$ 39,470,781	$ -	$ 39,470,781
Parts and services and others	2,656,267	-	2,656,267
Net sales	42,127,048	-	42,127,048
Cost of sales:			
New and used vehicles	(35,145,314)	-	(35,145,314)
Parts and services and others	(768,862)	-	(768,862)
Total cost of sales	(35,914,176)	-	(35,914,176)
Gross profit:			
New and used vehicles	4,325,467	-	4,325,467
Parts and services and others	1,887,405	-	1,887,405
Total gross profit	6,212,872	-	6,212,872
Selling, general and administrative expenses	(5,612,769)	-	(5,612,769)
Operating earnings	600,103	-	600,103
Other income (expenses)			
Interest expenses	(421,980)	-	(421,980)
Share of result of an associate	(78,060)	-	(78,060)
Other income	484,832	-	484,832
Total other income (expenses)	(15,208)	-	(15,208)
Earnings before minority interests and income taxes	584,895	-	584,895
Provision for income taxes	-	-	-
Earnings before minority interests	584,895	-	584,895
Minority interests	(456,296)	-	(456,296)
Net earnings	$ 128,599	$ -	$ 128,599
Earnings per share			
Basic	$ 0.0087	$ (0.0022)	$ 0.0065
Diluted	$ 0.0053	$ 0.0012	$ 0.0065
Weighted average number of common shares outstanding			
Basic	14,764,871	5,020,965	19,785,836
Diluted	23,904,107	(4,118,271)	19,785,836

[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. China Premium Lifestyle Enterprise, Inc. is referred to herein as "we" or "our." The words or phrases "would be", "will allow", "intends to", "will likely result", "are expected to", "will continue", "is anticipated", "estimate", "project", 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 June 30, 2008 and for the three and six month periods ended June 30, 2008 and 2007 in this amendment to the Company's Quarterly Report on Form 10-Q/A for the period ended June 30, 2008. 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 12 of the Notes to the consolidated financial statements included in this Report.

COMPANY OVERVIEW AND HISTORY

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, the Macau Special Administrative Region and in the People's Republic of China, (which for the purposes of this report excludes Hong Kong, Macau and Taiwan). 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 the importation, distribution, and after-sales service of Italian "Ferrari" and "Maserati" branded cars and spare parts in Hong Kong, Macau and China. The Company is also planning to import, distribute and sell premium brand apparel and other luxury brand products in Hong Kong, Macau, China and Taiwan.

The Company was originally formed in the State of Nevada on April 19, 2004 under its predecessor name, Xact Aid, Inc. ("Xact Aid"). On April 30, 2004, the Company issued 1,000 shares of its common stock (representing all of its issued and outstanding shares) to Addison-Davis Diagnostics, Inc. (f/k/a QT5, Inc.), a Delaware corporation ("Addison-Davis"), in consideration of Addison-Davis advancing start-up and operating capital.

On November 15, 2004, the Company acquired the Xact Aid line of first aid products for minor injuries from Addison-Davis in accordance with an Agreement of Sale and Transfer of Assets entered into between the Company and Addison-Davis. The assets acquired were including all goodwill appurtenant thereto: (a) inventory; (b) confidential and proprietary information relating to the Xact Aid products; (c) the Seller's domain names including source codes, user name and passwords; (d) all designs and copyrights in connection with Xact Aid's trademark; and (e) all records and materials relating to suppliers and customer list. In full consideration for all the acquired assets, the Company agreed to: (i) repay funds advanced by Addison-Davis for the Company's operating expenses from inception to September 30, 2004, which were repaid in November 2004 and December 2004; (ii) assume a promissory note issued to Xact Aid Investments; and (iii) issue to Addison-Davis 2,000,000 shares of the Company's common stock.

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

On December 22, 2005 the Company entered into a transaction divesting itself of certain assets for which the Company, in management's opinion, could not attract capital to successfully exploit, in return for the assumption of certain liabilities, a guarantee to pay another significant liability, and all of the common stock of a development stage company. The Company acquired 100% of the issued and outstanding shares of Brooke Carlyle Life Sciences, Inc., a Nevada corporation ("Brooke Carlyle"), a development stage company with a business plan to develop an online internet portal containing information on sexually transmitted diseases, which was designed to generate revenue from advertising from pharmaceutical companies. In accordance with the terms of the acquisition, the Company agreed to: (i) sell, assign and transfer to Brooke Carlyle any and all of its rights title and interests in connection with the License Agreement and the Patent Pending Assignment; (ii) sell, assign and transfer the Xact Aid line of first aid products for minor injuries, including all its related rights, titles and inventory; (iii) transfer a rental security deposit receivable in the amount of $225; and (iv) transfer certain notes receivable to Brooke Carlyle in the aggregate amount of $20,000. In consideration, Brooke Carlyle: (i) assumed various liabilities payable by the Company in the aggregate amount of $102,488; (ii) guaranteed payment of the Company's $950,000 promissory note payable in connection with the Patent Pending Assignment; and (iii) issued to the Company 1,000,000 shares of Brooke Carlyle common stock.

The Company's management team then determined that it was no longer in the best interests of the Company and its stockholders to continue pursuing sales and marketing efforts for the wound-specific first aid kit line of products. In an effort to bring revenues and profitable operations to the Company, management sought to effect a transaction that would attract a viable business operation and liquidate its liabilities. As a result of such decisions, on March 3, 2006, the Company entered into a non-binding letter of intent with Technorient for a proposed acquisition of an interest in Technorient via a share exchange by and among the Company, Technorient and Technorient's shareholders.

On May 4, 2006, in order to satisfy certain provisions in the Share Exchange Agreement described below with Technorient, the Company entered into a Stock Purchase Agreement with Nexgen Biogroup, Inc. ("Nexgen"), for the sale of the 1,000,000 shares of the common stock of Brooke Carlyle held by the Company, which, at that time, represented all or substantially all of the assets of the Company, for $1,000 cash, representing a consideration of $0.001 per share (the par value). In accordance with the terms of the agreement, the Company agreed to: (i) sell, assign and transfer to Nexgen any and all of its rights, title and interests in Brooke Carlyle; and (ii) transfer to Nexgen 1,000,000 shares of Brooke Carlyle common stock.

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

Prior to the Exchange, Federico G. Cabo, one of our directors, owned 3,000,000 shares of common stock, and Mr. De Luca, then our secretary and a director, owned 6,000,000 shares of common stock. Pursuant to the Exchange, the Company cancelled the 9,000,000 shares of common stock owned by Messrs. De Luca and Cabo.

On September 5, 2006, pursuant to the Amended Exchange Agreement and after all of the conditions precedent to closing were satisfied (including the completion of the Company's sale of all of the capital stock of Brooke Carlyle to Nexgen), Corich and Mr. Adamczyk, as shareholders of Technorient, transferred 49% of the outstanding capital stock of Technorient on a fully diluted basis to the Company in exchange for the 972,728 Series A Preferred Shares. As a result of the Exchange, the Company became a 49% shareholder of Technorient on a fully-diluted basis.

In connection with the Exchange, the Company issued: (i) an aggregate of 972,728 Series A Preferred Shares to the Sellers (in exchange for 49% of the issued and outstanding shares of Technorient) and OFS; (ii) 561,245 Series A Preferred Shares (the "HEL Shares") to Happy Emerald Limited, a British Virgin Islands company ("HEL"), for consulting services to be provided to Technorient after the Exchange; and (iii) an aggregate of 21,629,337 shares of common stock in connection with certain conversions of outstanding debt. After the closing of the Exchange, the Company's main business became its 49% ownership interest in Technorient.

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. As a result, on May 5, 2009, we entered into a reformation ("Reformation") of the Amended 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 Series A Preferred Shares issued to Corich and Mr. Adamczyk were agreed to have been issued in lieu of the Series A Preferred 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 of the Exchange, and that upon the effectiveness of and giving effect to the Reverse Stock Split, an aggregate of an additional 3,537,977 shares of common stock were deemed to have been issued. For a more detailed discussion of the Reformation, please refer to the Explanatory Note at the beginning of this Report and the Company's Current Report on Form 8-K, as filed with the SEC on May 11, 2009.

The Company was previously engaged in litigation regarding the HEL Shares (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 HEL Shares including all shares of common stock that were converted therefrom. For a more detailed discussion of the Federal Court Action and the settlement, please refer to the Explanatory Note at the beginning of this Report and the Company's Current Report on Form 8-K, as filed with the SEC on March 5, 2010.

On December 27, 2006, the Company effected a change of the Company's name from "Xact Aid, Inc." to "China Premium Lifestyle Enterprise, Inc." The Company name change and its new trading symbol (OTCBB: CPMM) became effective on the OTC Bulletin Board on December 28, 2006.

In March 2007, the Company entered into an agreement with Falber Confezioni, S.R.L. to become the sole importer and distributor of John Richmond, Richmond X and Richmond Denim clothing for men and women in Hong Kong, Macau, Taiwan and in China commencing in the Spring/Summer season of 2008 and ending in the Fall/Winter season of 2012.

On April 3, 2007, the Company established CPMM Asia as a wholly owned subsidiary. CPMM Asia is principally engaged in the distribution of luxury brand apparel.

On July 10, 2007, the Company entered into a Non-binding Letter of Intent with Keyforce (BVI) Limited ("Keyforce (BVI)"), a subsidiary of Wo Kee Hong (Holdings) Limited of Hong Kong, to begin negotiations to acquire from Keyforce (BVI) its luxury yacht distribution business. Wo Kee Hong (Holdings) Limited of Hong Kong wholly owns Wo Kee Hong (B.V.I.) Limited, an intermediate holding company that, in turn, wholly owns Corich Enterprises Inc., one of the Company's largest stockholders. Keyforce (BVI) is the sole shareholder of Keyforce Holdings Limited ("Keyforce Holdings") and Noble Brand Investments Limited ("Noble Brand"). Keyforce Holdings is engaged in the distribution of luxurious Italian "Ferretti" motor yachts in China while Noble Brand distributes Taiwanese produced "Horizon" motor yachts in China, Hong Kong and Macau. The letter of intent expired on January 9, 2008. As of March 30, 2009, no binding agreements had been entered into, but discussions remain ongoing.

On December 7, 2007, the Company effected a reverse stock split pursuant to which each five outstanding shares of common stock, par value $0.001, were automatically converted into one share of common stock, par value $0.005, and the total number of shares of our common stock outstanding was reduced from 98,929,180 shares to 19,785,836 shares (the "Reverse Stock Split"). No change was made in the number of the Company's authorized shares. No scrip or fractional share certificates were issued in connection with the Reverse Stock Split. Stockholders received a number of shares of new common stock rounded up to the nearest whole number in lieu of fractional interests resulting from the Reverse Stock Split. Following the Reverse Stock Split, the Company's common shares began trading under a new ticker symbol (OTCBB: CPLY). Each stockholder's percentage ownership interest in the Company and proportional voting power remained unchanged after the Reverse Stock Split, except for minor changes and adjustments resulting from rounding of fractional interests. The rights and privileges of the holders of common stock were substantially unaffected by the Reverse Stock Split.

On April 24, 2008, the Company adopted a Code of Business Conduct and Ethics applicable to its employees, officers and directors.

TECHNORIENT OVERVIEW

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

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 six 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.

King Express has been appointed as exclusive distributor by "AgustaWestland" helicopters for Hong Kong and Macau for the complete fleet of "AgustaWestland " commercial helicopters. 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 likely arrival of the first helicopter anticipated at the beginning of 2010.

CPMM (ASIA) OVERVIEW

On January 18, 2008, CPMM Asia, a wholly-owned subsidiary of the Company, 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 "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 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.

EMPLOYEES

As of June 30, 2008, we employed approximately 180 persons on a full-time basis in Hong Kong and China. We believe we have good relationships with our employees and no major disputes or work stoppages have occurred since our inception.

CURRENCY CONVERSION AND EXCHANGE

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

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

CRITICAL ACCOUNTING POLICIES

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

RECENT ACCOUNTING PRONOUNCEMENTS

In 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") 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 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 157-2, *Effective Date of FASB Statement No. 157* ("FSP 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 157-2, the Company has elected to defer the adoption of SFAS 157 for certain of its non-financial assets and liabilities and is currently evaluating the impact of adopting SFAS 157 on its non-financial assets and liabilities.

In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115* ("SFAS 159"), which is effective for the Company beginning January 1, 2008. This standard permits entities to choose to measure many financial instruments and certain other items at fair value and consequently report unrealized gains and losses on such items in earnings. The Company has elected not to adopt the fair value provisions of SFAS 159.

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. SFAS 141(R) will be effective for financial statements issued for fiscal years beginning after December 15, 2008, and will be adopted by the Company beginning in the first quarter of 2009. The Company does not expect there to be any significant impact of adopting SFAS 141(R) 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. SFAS 160 will be effective for financial statements issued for fiscal years beginning after December 15, 2008, and will be adopted by the Company beginning in the first quarter of 2009. The Company does not expect there to be any significant impact of adopting SFAS 160 on its financial position, cash flows and results 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. SFAS 161 will be effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, will be adopted by the Company beginning in the first quarter of 2009. The Company does not expect there to be any significant impact of adopting SFAS 161 on its financial position, cash flows and results of operations.

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

RESULTS OF OPERATIONS

Results of operations comparison of six months ended June 30, 2008 to six months ended June 30, 2007

SALES

	Six months ended June 30, 2008			Six months ended June 30, 2007		
	Total Sales		% of Total Sales	Total Sales		% of Total Sales
New and Used Vehicles	$	49,479,000	93.8%	$	39,471,000	93.7%
Parts and Services and others	$	3,216,000	6.2%	$	2,656,000	6.3%
Total	$	52,695,000	100%	$	42,127,000	100%

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

Net total sales for six months ended June 30, 2008 increased by approximately $10,568,000 or 25.1% to approximately $52,695,000, compared with approximately $42,127,000 for the same period of 2007. The increase was primarily attributable to the increased sales from our new and used vehicle trading segment. The increase in sales of vehicles was primarily due to the launch of the Ferrari 8-cylinder sports car, the "430 Scuderia," and an increase in deliveries of the Maserati 8-cylinder two-door 2+2 coupe, the "GranTurismo," which was launched in the last quarter of 2007. The increase in parts and service sales was mainly attributed to the increase in deliveries of Ferrari and Maserati cars to customers during the last few years.

COST OF SALES

Cost of sales for the six months ended June 30, 2008 increased to $44,033,000 from $35,914,000 for the six months ended June 30, 2007, a $8,119,000 or 22.6% increase was in line with the increase in Company's increase in revenues during this period.

GROSS PROFIT

Gross profit margin for six months ended June 30, 2008 increased by 1.7% from 14.7% for the same period of 2007 to 16.4% for the current period and the gross profit increased by approximately $2,449,000 to approximately $8,662,000 for the six months ended June 30, 2008 This increase is mainly attributed to the new and used vehicles trading segment. The gross profit margin increase in the first six months of 2008 was mainly due to deliveries of the "GranTurismo" and sales of certain highly acclaimed Ferrari used cars including Ferrari 599 GTB Fiorano and F430 Spider.

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 six months ended June 30, 2008 were approximately $8,243,000, compared to approximately $5,613,000 for the same period of 2007. The approximate $2,630,000 increase in S,G&A expenses was primarily due to the growth of revenues and rapid business expansion which was reflected in our increased staff cost, rental expenses and depreciation expenses. The staffing expenses increased from approximately $2,314,000 for the six months ended June 30, 2007 to approximately $3,444,000 for the same period of 2008. The aggregate of rent, rate and building management fees increased from approximately $662,000 for the six months ended June 30, 2007 to approximately $1,641,000 for the same period of 2008.

OTHER INCOME (EXPENSES) , NET

Other income increased to approximately $745,000 compared with other expenses of approximately $15,000 in the six months ended June 30, 2007, a total increase of $760,000. The increase was primarily due to the increased management fees, interest and rental income charged to affiliate companies, decreased interest expenses and the $130,000 gain on disposal of property and equipment. The management fees, interest and rental income charged to affiliate companies increased from approximately $352,000 for the six months ended June 30, 2007 to approximately $458,000 for the same period of 2008. The interest expenses decreased from approximately $422,000 in the first six months of 2007 to approximately $261,000 for the same period of 2008.

MINORITY INTERESTS

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

Results of operations comparison of three months ended June 30, 2008 to three months ended June 30, 2007

SALES

	Three months ended June 30, 2008		Three months ended June 30, 2007	
	Total Sales	% of Total Sales	Total Sales	% of Total Sales
New and Used Vehicles	$ 29,566,000	94.6%	$ 23,646,000	94.1%
Parts and Services and others	$ 1,682,000	5.4%	$ 1,470,000	5.9%
Total	$ 31,248,000	100%	$ 25,116,000	100%

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

Net total sales for three months ended June 30, 2008 increased by approximately $6,132,000 or 24.4% to approximately $31,248,000, compared with approximately $25,116,000 for the same period of 2007. The increase was primarily attributable to the increased sales from our new and used vehicle trading segment. The increase in sales of vehicles was primarily due to the launch of the Ferrari 8-cylinder sports car, the "430 Scuderia," and an increase in deliveries of the Maserati 8-cylinder, two-door 2+2 coupe, the "GranTurismo," which was launched in the last quarter of 2007. The increase in parts and service sales was mainly attributed to the increase in deliveries of Ferrari and Maserati cars to customers during the last few years.

COST OF SALES

Cost of sales for the three months ended June 30, 2008 increased to $26,048,000 from $21,422,000 for the three months ended June 30 2007, a $4,626,000 or 21.6% increase was in line with the increase in Company's increase in revenues during this period.

GROSS PROFIT

Gross profit margin for three months ended June 30, 2008 increased by 1.9% from 14.7% for the same period of 2007 to 16.6% for the current period and the gross profit increased by approximately $1,506,000 to approximately $5,200,000 for the three months ended June 30, 2008. This increase is mainly attributed to the new and used vehicles trading segment. Gross profit margin increase in the second quarter of 2008 was mainly due to deliveries of the "GranTurismo" and the "430 Scuderia."

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 June 30, 2008 were approximately $4,470,000, compared to approximately $2,978,000 for the same period of 2007. The approximate $1,492,000 increase in S,G&A expenses was primarily due to the growth of revenues and rapid business expansion which was reflected in our increased staff cost, rental expenses and depreciation expenses. The staffing expenses increased from approximately $1,294,000 for the three months ended June 30, 2007 to approximately $1,660,000 for the same period of 2008. The aggregate of rent, rate and building management fees increased from approximately $344,000 for the three months ended June 30, 2007 to approximately $939,000 for the same period of 2008.

OTHER INCOME, NET

Other income increased to approximately $555,000 compared to approximately $112,000 in the second quarter of 2007, a total increase of $443,000. The increase was primarily due to the $130,000 gain on disposal of property and equipment and decreased interest expenses. The interest expenses decreased from approximately $245,000 in the second quarter of 2007 to approximately $129,000 for the same period of 2008.

MINORITY INTERESTS

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

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS FROM OPERATING ACTIVITIES

Our operations generated cash resources of approximately $588,000 for the six months ended June 30, 2008, compared to generating cash resources of approximately $3,318,000 for the six months ended June 30, 2007, primarily as a net result of the following:

- For the six months ended June 30, 2008, cash flow provided by sales net of operating expenses increased by approximately $466,000 to $1,519,000. The increase was primarily as a result of the increase in sales.

- For the six months ended June 30, 2008, account receivables decreased by approximately $3,878,000, primarily due to the collection of account receivables relating to the sales recognized in the fourth quarter of 2007 and first quarter of 2008.

- For the six months ended June 30, 2008, our inventory increased by approximately $7,201,000. The increase was consistent with our business growth especially in the car trading segment.

- For the six months ended June 30, 2008, 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 $931,000.

CASH FLOWS FROM INVESTING ACTIVITIES

For the six months ended June 30, 2008, we expended net cash of approximately $164,000 in investing activities that is the combined effect of the acquisition and disposal of property and equipment. We had utilized approximately $495,000 for acquisition of property and equipment whereas we had received approximately $331,000 proceeds from disposal of property and equipment. For the six months ended June 30, 2007, we utilized approximately $74,000 in investing activities, mainly for acquisition of property and equipment.

CASH FLOWS FROM FINANCING ACTIVITIES

During the six months ended June 30, 2008, we repaid approximately $1,542,000 of our obligations owed on outstanding debt as compared to approximately $914,000 for the six months ended June 30, 2007.

For the six months ended June 30, 2008, we provided approximately $540,000 advances to affiliates. For the six months ended June 30, 2007, we provided approximately $4,746,000 and $613,000 advances to affiliates and associate, respectively. The advances to affiliates were made to entities that are under common management, where Mr. Richard Man Fai Lee, the Company's Chief Executive Officer, is the common director of the Company and the affiliates. These advances included interest bearing and non interest bearing portions depending on the nature of the advances.

WORKING CAPITAL REQUIREMENTS

Current assets exceeded current liabilities at June 30, 2008 by approximately $8,056,000, an increase of $1,384,000 from December 31, 2007. The ratio of our current assets to our current liabilities was 1.21 to 1 at June 30, 2008 compared to 1.2 to 1 at December 31, 2007. At June 30, 2008, our current assets of approximately $46,391,000 included approximately $16,364,000 in inventory that was funded by the operating cash flow and trade finance facilities. Our current liabilities of approximately $38,335,000 included customer deposits. Given the exclusive nature and extremely limited production of Ferrari cars, our customers are willing to place material deposits in advance to the Company in order to secure their new car orders. This resulted in customer deposits of approximately $22,739,000.

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.

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

Interest Rates . Our exposure to market risk for changes in interest rates relates primarily to our short-term obligations; thus, fluctuations in interest rates would not have a material impact on the fair value of the Company's securities. At June 30, 2008, we had approximately $4,926,000 in cash and cash equivalents. A hypothetical 10% increase or decrease in interest rates would not have a material impact on our earnings or loss, or the fair market value or cash flows of these instruments.

Foreign Exchange Rates . While our reporting currency is the U.S. dollar, to date virtually all of our revenues and costs are denominated in Hong Kong Dollars and a significant portion of our assets and liabilities is denominated in Hong Kong Dollars. As a result, we are exposed to foreign exchange risk as our revenues and results of operations may be impacted by fluctuations in the exchange rate between U.S. Dollars and Hong Kong Dollars. If the Hong Kong Dollar depreciates against the U.S. Dollar, the value of our Hong Kong Dollar revenues and assets as expressed in our U.S. Dollar financial statements will decline. Thus, our revenues and operating results may be impacted by exchange rate fluctuations of the Hong Kong Dollar. While we may choose to do so in the future, the availability and effectiveness of any hedging transactions may be limited and we may not be able to successfully hedge our exchange rate risks. Accordingly, we may experience economic losses and negative impacts on earnings and equity as a result of foreign exchange rate fluctuations. The effect of foreign exchange rate fluctuation for the six months ended June 30, 2008 was not material to us.

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 12 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 June 30, 2008. 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 June 30, 2008, as outlined in Part I, Item 2. 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 12 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 June 30, 2008. Accordingly, our management has concluded that our internal control over financial reporting and our disclosure controls and procedures were not effective as of June 30, 2008 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 June 30, 2008. Accordingly, our management has concluded that our internal control over financial reporting and that our disclosure controls and procedures were not effective as of June 30, 2008 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.

None.

Item 1A. Risk Factors.

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

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

None.

Item 3. Defaults Upon Senior Securities.

None.

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

None.

Item 5. Other Information.

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

Item 6. Exhibits.

Exhibit Number	Description
31.1	Certification of Chief Executive Officer pursuant to Rules 13A-14(A)/15D-15(E) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certification of the Chief Financial Officer pursuant to Rules 13A-14(A)/15D-15(E) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. 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 28, 2010	By:	/s/ Richard Man Fai LEE
			Richard Man Fai LEE Chief Executive Officer
Date:	May 28, 2010	By:	/s/ Joseph Tik Tung WONG
			Joseph Tik Tung WONG Chief Financial Officer, Treasurer and Secretary

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 June 30, 2008 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.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this 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 28, 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 June 30, 2008 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.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this 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 whohave a significant role in the registrant's internal control over financial reporting.

May 28, 2010

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

EXHIBIT 32

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 June 30, 2008 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 June 30, 2008 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 28, 2010

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

May 28, 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.