

**CHINA PUB COMPANY PLC**

INTERIM REPORT

FOR THE PERIOD ENDED

30 JUNE 2007

COMPANY NO 5506378

CHINA PUB COMPANY PLC

CONSOLIDATED SUMMARISED PROFIT AND LOSS ACCOUNT

	Note	Unaudited 6 months to June 2007 £	Unaudited 6 months to June 2006 £	Audited 12 months to December 2006 £
<b>Turnover</b>		<b>217,006</b>	90,181	221,274
Cost of sales		(149,049)	(35,512)	(113,852)
Gross profit		67,957	54,669	107,422
Operating charges		(470,121)	(108,374)	(338,420)
<b>Operating loss</b>		<b>(402,164)</b>	(53,705)	(230,998)
Interest receivable		35,675	1,304	-
Interest paid		-	-	(2,767)
<b>Loss on ordinary activities before taxation</b>		<b>(366,489)</b>	(52,401)	(233,765)
Tax on loss on ordinary activities	2	-	-	-
<b>Loss retained</b>		<b>(366,489)</b>	(52,401)	(233,765)
Loss per share				
- basic		0.0629	0.0351	0.0728
- diluted		0.0516	0.0288	0.0597

CHINA PUB COMPANY PLC

CONSOLIDATED SUMMARISED BALANCE SHEET

	Unaudited As at 30 June 2007 £	Unaudited As at 30 June 2006 £	Audited As at 31 December 2006 £
<b>Fixed assets</b>			
Intangible assets	144,814	135,399	156,972
Tangible assets	<u>258,237</u>	<u>115,741</u>	<u>270,694</u>
	<b>403,051</b>	251,140	427,666
<b>Current assets</b>			
Stocks	6,094	2,452	4,888
Debtors	134,031	96,311	108,543
Cash at bank and in hand	<u>1,975,317</u>	<u>51,884</u>	<u>556,221</u>
	<b>2,115,442</b>	150,647	669,652
<b>Creditors: amounts falling due within one year</b>	<u>(64,158)</u>	<u>(152,528)</u>	<u>(51,026)</u>
<b>Net current assets/(liabilities)</b>	<u>2,051,284</u>	<u>(1,881)</u>	<u>618,626</u>
<b>Total assets less current liabilities</b>	<b>2,454,335</b>	249,259	1,046,292
<b>Creditors: amounts falling due after more than one year</b>	-	-	-
	<u>2,454,335</u>	<u>249,259</u>	<u>1,046,292</u>
<b>Capital and reserves</b>			
Called-up equity share capital	129,879	64,709	86,126
Share premium account	2,976,510	303,800	1,244,880
Other reserves	13,139	13,139	13,139
Profit and loss account	<u>(665,193)</u>	<u>(132,389)</u>	<u>(297,853)</u>
<b>Shareholders' funds</b>	<u>2,454,335</u>	<u>249,259</u>	<u>1,046,292</u>

CHINA PUB COMPANY PLC

CASH FLOW STATEMENT

	Note	Unaudited 6 months to June 2007 £	Unaudited 6 months to June 2006 £	Audited 12 months to December 2006 £
<b>Net cash inflow/(outflow) from operating activities</b>	3	<b>(388,513)</b>	25,208	(225,242)
<b>Returns on investments and servicing of finance</b>				
Interest received		35,675	1,304	-
Interest paid		-	-	(2,767)
<b>Net cash inflow / (outflow) from returns on investments and servicing of finance</b>		<b>35,675</b>	1,304	(2,767)
<b>Taxation</b>		-	-	-
<b>Capital expenditure and financial investment</b>				
Purchase of tangible fixed assets and development costs		(3,448)	(59,273)	(172,190)
Purchase of intangibles		-	(5,290)	-
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(3,448)</b>	(64,563)	(172,190)
<b>Acquisitions and disposals</b>				
Acquisitions of businesses		-	(35,708)	(62,690)
Cash acquired		-	8,718	9,688
<b>Net cash flow from acquisitions and disposals</b>		-	(26,990)	(53,002)
Net cash outflow before financing		(356,286)	(65,041)	(453,201)
<b>Financing</b>				
Issue of shares – net of share issue expenses		1,775,382	108,509	1,001,006
<b>Net cash flow from financing</b>		<b>1,775,382</b>	108,509	1,001,006
<b>Increase in cash</b>		<b>1,419,096</b>	43,468	547,805
<b>Opening cash balance</b>		<b>556,221</b>	8,416	8,416
<b>Closing cash balance</b>		<b>1,975,317</b>	51,884	556,221

# CHINA PUB COMPANY PLC

## OTHER PRIMARY STATEMENTS

### STATEMENT OF RECOGNISED GAINS AND LOSSES DIRECT IN EQUITY

	<b>Unaudited 6 months to June 2007 £</b>	Unaudited 6 months to June 2006 £	Audited 12 months to December 2006 £
(Loss) for the financial period	<b>(366,489)</b>	(52,401)	(233,765)
(Loss)/gain on translation of overseas subsidiary reserves	<b>(851)</b>	(7,572)	8,328
Total recognised (loss) for the period	<b><u>(367,340)</u></b>	<u>(59,973)</u>	<u>(225,437)</u>
Total loss recognised since last annual report	<b><u>(367,340)</u></b>		

### RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<b>Unaudited 6 months to June 2007 £</b>	Unaudited 6 months to June 2006 £	Audited 12 months to December 2006 £
Loss for the period	<b>(366,489)</b>	(52,401)	(233,765)
Other recognised gains and losses	<b>(851)</b>	(7,572)	8,328
Issue of shares	<b>1,775,383</b>	108,509	1,071,006
Net increase in shareholders' funds	<b><u>1,408,043</u></b>	<u>48,536</u>	<u>845,569</u>
Shareholders' funds at 1 January	<b><u>1,046,292</u></b>	<u>200,723</u>	<u>200,723</u>
Shareholders' funds at period end	<b><u>2,454,335</u></b>	<u>249,259</u>	<u>1,046,292</u>

# CHINA PUB COMPANY PLC

## NOTES TO THE INTERIM REPORT

For the period ended 30 June 2007

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### 1 BASIS OF PREPARATION

The principal accounting policies of the group are set out in the group's 2006 annual report and financial statements. The policies have remained unchanged from the previous annual report.

### 2 TAX ON LOSS ON ORDINARY ACTIVITIES

As the group is currently operating in a loss making position there is no tax liabilities to be recognised. There are tax losses carried forward and available for offset against future taxable profits. However due to uncertainty relating to the timing and the recoverability, no deferred tax asset has been booked.

### 3 NET CASH FLOW FROM OPERATING ACTIVITIES

	<b>Unaudited 6 months to June 2007 £</b>	Unaudited 6 months to June 2006 £	Audited 12 months to December 2006 £
Operating loss	<b>(402,164)</b>	(53,705)	(230,998)
Depreciation and amortisation	<b>28,064</b>	6,031	22,774
(Increase) in stock	<b>(1,206)</b>	(2,452)	(2,581)
(Increase)/decrease in debtors	<b>(25,488)</b>	8,157	21,758
Increase/(decrease) in creditors	<b>12,281</b>	67,177	(36,195)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(388,513)</b>	25,208	(225,242)

### 4 PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information set out in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The figures for the year ended 31 December 2006 have been extracted from the statutory financial statements which have been filed with the Registrar of Companies. The auditors' report on those financial statements was unqualified and did not contain a statement under Section 237(2) of the Companies Act 1985