



China Pub Company plc

5th Floor
24 Buckingham Gate
London
SW1E 6LB
Ph: 0207 730 5952
Fx: 0207 233 5168

NOTICE

12th October 2007

China Pub Company plc is pleased to announce that its subsidiary China Pub Food and Beverage Management Co. Ltd (CPFBM) has entered into an exclusive 25 year co-operation agreement with M Holding Limited, a subsidiary of Shanghai Malones American Café Co. Ltd. The aim of the co-operation agreement is to open and operate up to 20 Malones branded bar and restaurants over a 25 year period in Greater China. Malones is a well known American style pub and restaurant brand which began operating in Shanghai in 1994 and has continued to grow in popularity over the last 13 years. Management are confident that this agreement will capitalise on the growing demand for Western branded food and beverage outlets in Greater China.

The agreement has a contractual license period of 10 years and options to extend for successive 5 year periods. CPFBM will be the licensee for all of the outlets and under the agreement they have an obligation to open 2 Malones branded outlets per year for the first 2 years. M Holding Ltd and its subsidiaries will provide the management team and operation for each outlet for a minimum period of 2 years.

M Holding Ltd will receive management fees, performance fees and royalty fees in respect of the management of each outlet and for the licensing of the trademarks and brands. M Holding Ltd will also receive an initial fee of \$800,000 CNY (c. £52,500 GBP) in respect of each outlet opened. The first outlet is due to open in Shanghai over the coming months and has a projected capital and operating start up cost of up to £625,000 GBP.

John May, Chairman, commented, "We are excited by the opportunity this agreement provides and the board are looking forward to rolling out the Malones brand as well as developing the other opportunities under review, we will be updating you on the progress within the next few months."

Contact information

John May, Chairman, +44 (0) 207 730 5952

Alan Piper, +44 (0) 20 7242 2666

www.chinapubplc.com

www.malones.com.cn