



China Pub Company plc

PROPOSED OFFER BY THE PHOENICIAN FUND CORPORATION I FOR CHINA PUB CO

The Phoenician Fund Corporation I ("Phoenician") and China Pub Company PLC ("China Pub") announce that they have reached an agreement in principle on the terms of a proposed offer (the "Proposed Offer") to be made by Phoenician for the entire issued share capital of China Pub. The Proposed Offer will be subject to the terms and conditions described herein and it is intended to constitute Phoenician's qualifying transaction within the meaning of TSX Venture Exchange ("TSX-V") Policy 2.4.

This Announcement does not constitute an announcement of a firm intention to make an offer under Rule 2.5 of the UK Takeover Code (the "Code"). Accordingly there can be no certainty that an offer will ultimately be made and no certainty to whether any offer will be made on the terms described herein.

Trading of China Pub's shares on the Channel Islands Stock Exchange (the "CISX") was suspended on 4 March 2009 pending details of the Proposed Offer. The Board of China Pub will unanimously recommend shareholders of China Pub to accept the Proposed Offer.

Phoenician is an Ontario corporation and its shares are listed on the TSX-V. It is a capital pool company within the meaning of TSX-V Policy 2.4, that is, a company that has yet to complete a qualifying transaction. Until it completes a qualifying transaction, Phoenician cannot commence commercial operations. Phoenician currently has at least Cdn. \$500,000 in cash.

John May, Chairman of China Pub has given an irrevocable undertaking (known as a "lock up agreement" in Canada) to Phoenician to accept the Proposed Offer in respect of his 10,000,000 shares in China Pub (representing 1.5% of the issued share capital of China Pub as at the date of this Announcement).

Should the Proposed Offer be completed, a request will be made for the China Pub shares to be delisted from the CISX.

TERMS OF THE PROPOSED OFFER

Phoenician and China Pub entered into a letter of intent on 23 February 2009 relating to the Proposed Offer.

The Proposed Offer (subject to the Conditions set out below) will be made as follows:

0.05 common shares of no par value in Phoenician (the "Phoenician Shares") for each ordinary share of 0.02 pence in China Pub (a "China Pub Share").

Any new Phoenician Shares issued pursuant to the Proposed Offer will be issued credited as fully paid, non assessable and will rank parri passu in all respects with the existing Phoenician Shares in issue.

The China Pub Shares will be acquired free from all liens, charges, encumbrances and other interests and together with all rights now and hereafter attaching thereto including the right to receive all dividends and other distributions hereafter declared, made or paid.

Full acceptance of the Proposed Offer will result in Phoenician issuing an aggregate of 34,981,632 Phoenician Shares. Following the completion of the Proposed Offer, Phoenician will have 43,016,965 Phoenician Shares and 1,316,033 options issued and outstanding. Shareholders of China Pub would receive 73.06% per cent of the share capital of Phoenician on a fully diluted basis.

Fractions of Phoenician Shares will not be allotted to shareholders of China Pub, and entitlements will be rounded down to the nearest whole Phoenician Share.

Upon completion of the Proposed Offer, the combined entity (the "Resulting Issuer") will carry on the themed pub business of China Pub, as described under "About China Pub" below.

Registered Office: Crown Passage House, 19 Crown Passage, St James's, London, SW1Y 6PP

Registered in England & Wales 5506378

CHINA PUB SHARES

China Pub's issued share capital consists of 647,808,000 China Pub Shares, each having equal voting rights. China Pub does not hold any China Pub Shares in treasury and therefore the total number of China Pub Shares with voting rights is 647,808,000. There are no other classes of share in issue.

The ISIN number of China Pub Shares is GB00B1VRT431.

As at the date of this Announcement, Phoenician does not (other than the irrevocable undertaking referred to above) hold an interest in China Pub Shares or the right to subscribe for such shares.

The China Pub Shares are listed on the CISX. Though listed, they have not traded on the CISX since 31 March 2007.

CONDITIONS OF THE PROPOSED OFFER

The Proposed Offer, when made, will be contingent upon the following circumstances (the "Conditions") which are set out in full at Appendix 1 of this Announcement:

1. shareholders of China Pub holding at least 90% (or such lesser percentage, not being less than 50% of the voting rights then normally exercisable at a general meeting of China Pub, as Phoenician may decide) of the issued share capital of China Pub accepting the Proposed Offer;
2. TSX-V approval of the Proposed Offer; and
3. there being no material adverse change in the business, assets, liabilities, profits or prospects of the China Pub group of companies as a whole.

Subject to the requirements of the UK Panel of Takeover and Mergers (the "Panel"), the Proposed Offer will not proceed unless all of the Conditions have been fulfilled or (if capable of waiver), waived. Each Condition will be regarded as a separate Condition and shall not be limited by reference to other Conditions.

BACKGROUND TO THE PROPOSED OFFER

Following Phoenician's announcement of the Proposed Offer, and subject to the approval of the TSX-V, Phoenician will lend Cdn\$225,000 (being the maximum amount pursuant to TSX-V policies) to China Pub in order to meet staff costs and creditors. Any excess will be used for working capital. TSX-V policies require that this lending facility be secured by means of a charge over the fixed assets of China Pub or any one or more assets in the subsidiary companies of China Pub. The facility will be repayable on demand. Without this loan facility, it is unlikely the Company could meet its current obligations and it would face insolvency and subsequent liquidation.

The board of directors of Phoenician and China Pub believe that the Proposed Offer would result in China Pub being in a stronger financial position than its current weak financial position as referred to above. In particular, the finances available to Phoenician could be used to reduce exposure to China Pub's short term obligations although the Resulting Issuer will need to raise further additional financing shortly after completion of the Proposed Offer to meet the Resulting Issuer's ongoing working capital requirements and to assist with China Pub's expansion (as detailed herein).

Upon completion of the Proposed Offer, the board of directors of the Resulting Issuer will be comprised of four directors, being the directors of China Pub and a Canadian resident director to be appointed at a later time. In addition to other officers to be appointed at a later time, John May will be appointed as Chief Executive Officer of the Resulting Issuer.

John J. May – Proposed Executive Chairman and Finance Director

John May is a principal of a boutique Chartered Accountancy practice, focussing on advising companies on finance raising, mergers and acquisitions, business strategies and entry onto Plus Markets and AIM. He is the managing partner of FSA registered City & Westminster Corporate Finance LLP.

He was previously a Senior Partner at Horwath Clark Whitehill, a UK Accountancy firm, for 17 years, including 8 years on the Managing Board. Mr May is the Policy Director and Chairman of the Small Business Bureau Limited and Deputy Chairman of the Genesis Initiative, which are lobbying groups to the UK Government on behalf of small businesses. He is also a Conservative Borough Councillor. Mr May qualified as a Chartered Accountant in 1974 having previously gained his DIA at the University of Bath Management School in 1970 and his BA from the University of London in 1969.

He is currently a non executive director of AIM listed International Consolidated Minerals Inc, Tomco Energy Plc, Petrolatina Energy Plc, Red Leopard Holdings Plc and NASDAQ listed Avatar Systems Inc, London and Pacific Healthcare Inc and White Mountain Titanium Corp. He is also Chairman of CISX listed Southbank UK Plc. Mr May resides in London.

Gerard Thompson – Proposed Director

Gerard Thompson is currently a partner in City & Westminster Corporate Finance LLP, a FSA registered corporate advisory consultancy assisting companies seeking to go public by making principal-based investments. He is a senior management executive with financial, marketing and administrative skills including corporate governance functions and in particular knowledge of Remuneration and Audit committee functions (including USA Sarbanes-Oxley provisions). He has extensive experience as a principal in investment banking, corporate finance, venture capital, pre-IPO to IPO funding. Mr Thompson has been involved with a number of AIM listed plc companies. Mr Thompson became an accredited Mediator in 2005 and subsequently became a partner in Wilcox-Thompson LLP which provides alternate dispute resolution services. Mr Thompson resides in London.

Alan Reid – Proposed Director

Alan Reid was previously Chief Operating Officer of Fosters China Limited, a subsidiary of the globally recognized Fosters Brewing Group. He was directly responsible for the operations of three joint venture breweries located in China involving an investment in excess of USD 150 million. During the early nineties, he was also the Commercial Minister and Senior Trade Commissioner at the Australian Embassy in Beijing. As a result he has a wide range of political and commercial contacts throughout Asia. Mr Reid is currently the Managing Director and owner of Intercedent Limited, an investment and advisory boutique specialising in advising western companies on setting up and operating in Greater China. Mr Reid has lived and worked full time in China and Hong Kong since 1985, is a fluent Mandarin speaker and resides in Beijing.

ABOUT PHOENICIAN

Phoenician is an Ontario corporation. It is designated by the TSX-V as a "capital pool company" and is a reporting issuer in British Columbia, Alberta and Ontario. The Proposed Offer is intended to serve as the Phoenician's "qualifying transaction" under the policies of the TSX-V.

In accordance with Rule 2.10 of the Code, Phoenician's share capital currently consists of 8,035,333 Phoenician Shares outstanding, each having equal voting rights and there are no other classes of share in issue.

In addition, options to purchase 626,766 Phoenician Shares at a price of Cdn \$0.16 per share have been granted to Phoenician's directors and officers, options to purchase 250,000 Phoenician Shares at a price of Cdn \$0.16 per share have been granted to Phoenician's agent in connection with its initial public offering, options to purchase 37,500 Phoenician Shares at a price of Cdn \$0.16 per share have been granted to a charitable organization and options to purchase 401,767 Phoenician Shares at a price of Cdn \$0.16 per share have been granted to Phoenician's consultants.

Trading of Phoenician's shares was halted on 23 February 2009 pending details of the Proposed Offer. There can be no assurance that trading will resume before the TSX-V has reviewed the Proposed Offer and reinstatement to trading provides no assurance with respect to the merits of the Proposed Offer or the likelihood of Phoenician completing the Proposed Offer as its qualifying transaction.

The current directors of Phoenician are: Edwin Lee, Howard Crosby and Nicholas Wilson.

Additional information about Phoenician can be found and is available on SEDAR at www.sedar.com.

ABOUT CHINA PUB

China Pub is incorporated in England and Wales under company number 5506378.

It is an operator of defined pub brands focused on building a portfolio of outlets across Greater China. It is committed to utilising its management's experience and market knowledge to extend its pub brands across Greater China, one of the most thriving economic regions in the world. The Greater China region, including the Peoples Republic of China, Hong Kong and Macau, is experiencing rapid economic and social transformation. Wealth generation and increases in disposable income, combined with a desire to embrace western lifestyle pursuits, trends and brands, has created an unprecedented opportunity.

China Pub intends to capitalise on this opportunity to rapidly expand its cost effective portfolio of pub outlets targeting affluent locals, expatriates and international visitors. Since its incorporation in 2005, China Pub's management has been focussed on structuring and preparing the Company for its Greater China expansion. China Pub has been actively acquiring a portfolio of well-known brands, investigating and obtaining key sites in Shanghai, Hong Kong and Macau, and building its corporate profile through various public relations activities such as the sponsorship of the Yellow Sea Cup rugby tournament.

China Pub has eight wholly-owned subsidiaries through its wholly-owned Hong Kong subsidiary China Pub Company HK Limited. They are:

- China Pub Food & Beverage Management Limited (incorporated in Shanghai) - operates Malone's American Café in Pudong Shanghai, as well as a small administrative office in Shanghai.

- Bull and Bear Limited (incorporated in Hong Kong) - operates the Bull and Bear pub in Wanchai, Hong Kong.
- Junk Pub Limited (incorporated in Hong Kong) - operates the Junk Pub in Wanchai, Hong Kong.
- Detours Limited (incorporated in Hong Kong) - operates the trading business of the Duk Ling (sailing junk charters on Victoria Harbour, Hong Kong).
- Solar Fidelity Limited (incorporated in Hong Kong) - holds the assets of the Duk Ling (the boat and the mooring rights).
- IP Licensing Rights LLC (incorporated in Delaware USA) – holds the IP rights of each of the brands.
- China Pub (Macao) Limited (incorporated in Macau) – originally set-up to investigate sites and maintain an administrative office in Macau.
- Kennedy's Irish Limited (incorporated in Hong Kong) - set-up to develop and then operate the trade of Kennedy's Irish pub in Hong Kong.

Additional information about China Pub can be found and is available at www.cisx.com.

CHINA PUB ASSETS

The primary assets of the Resulting Issuer will be the China Pub assets, comprising of the following:

DUK LING, icon of Hong Kong©

The Duk Ling, icon of Hong Kong© , is an authentic Hong Kong sailing junk which was restored to original 1950's design having sailed the deep sea channels in and around Hong Kong for over 25 years (further information about this asset is available at www.dukling.com.hk).

The Duk Ling is chartered twice every week by the Hong Kong Tourism Board, as well as by corporate clients and individuals to provide harbour cruises and hospitality events. The Duk Ling was acquired in November 2005 by two subsidiaries of China Pub, Detours Limited (the entity that operates the trade of the Duk Ling) and Solar Fidelity Limited (the entity which owns the Duk Ling vessel itself together with its mooring rights).

The Junk Pub

The Junk Pub was established in 2000 and was the first pub brand that China Pub acquired in November 2005. The Junk Pub has an Asian nautical theme and is linked to the Duk Ling. It is a popular venue and has a loyal following from both local and international residents of Hong Kong.

The Bull and Bear

In 2006, China Pub acquired Hong Kong's famous Bull and Bear pub brand and opened its first site in Wanchai, Hong Kong. The Bull and Bear's food and hospitality is representative of a traditional British pub, serving up meals such as bangers & mash, fish & chips and steak & ale pie. The Bull and Bear is featured on several tourist websites, brochures and maps and is a popular venue amongst the rugby fraternity.

Malone's American Café

China Pub signed an agreement in September 2007 with Shanghai Malone's American Café Co. Ltd., to use the brand "Malone's American Café" which was established in 1994. Under the agreement, China Pub can roll out and operate up to 20 Malone's American Café outlets in the Greater China region for five years

Malone's American Café is China Pub's first bar and restaurant in Shanghai, opened in April 2008. It is operated under license and is located in the prestigious commercial and residential area of Pudong. Occupying 9,000 sq. ft. it extends over three levels and features two bars, a designated dining area, games room, outdoor beer garden and offers live entertainment six days a week. The food menu offers both Asian and western menus, including 20 different types of hamburgers which are popular amongst westerners and local Chinese looking for an American sports bar experience.

The "China Pub Company Yellow Sea Cup"

One of China Pub's greatest successes in promoting its brands and establishing its presence in Greater China is by securing the lead sponsor and naming rights to the Yellow Sea Cup ("YSC") rugby tournament. Established in 2005, the YSC is the premier rugby tournament for the Greater China region. The sponsorship agreement between the YSC and China Pub covers seasons 2008-2017.

FUTURE PLANS

Kennedy's Irish

Kennedy's Irish is an Irish pub concept, developed by China Pub. It will serve Irish beer, ales and food ranging from Irish stews to Guinness pies. The interior will feature a traditional Irish bar setting with various eating nooks and Irish memorabilia. The name Kennedy is derived from the British Governor of Hong Kong from 1872 to 1877. He was responsible for introducing the Hong Kong dollar and developing KennedyTown (a district located in the western area of Hong Kong Island). The first Kennedy's Irish is due to open within the coming months in Kowloon, Hong Kong.

The Rugby Pub

A future brand which is expected to be first established in Beijing is The Rugby Pub. The brand is still in the development stage but it is planned that it will be tied into, and capitalise on, China Pub's sponsorship of the YSC rugby tournament. It is envisaged that the pub will be similar in size to the Bull and Bear and Kennedy's Irish.

Kangaroo Red

Another future brand which China Pub plans to develop is Kangaroo Red, an Australian pub brand. The pub will focus on Australian memorabilia, culture, sports and food.

China Pub has also been in negotiations to acquire a Singaporean group which is an internationally renowned brand with successful operations in Hong Kong, Taipei and Perth. If completed, the proposed acquisition will add positive cash flows as well as three existing operations to China Pub. The target's brand and management, who would be locked in under the proposed agreement, will significantly enhance China Pub's operations and recognition.

CHINA PUB MANAGEMENT

The management of China Pub comprises the directors (whose details are set out in this Announcement) and the following persons:

GEOFFREY DART – Chairman of the operating company, China Pub Company HK Limited

PAUL WATT – Director of the operating company, China Pub Company HK Limited

IAN WATT – General Manager

GAVIN SMITH – Financial controller

SELECTED FINANCIAL INFORMATION

	China Pub Interim Accounts for the six months ended June 30, 2008 (unaudited)	China Pub Interim Accounts for the six months ended June 30, 2008 ⁽¹⁾ (unaudited)
	£	CAD\$
Current Assets	1,119,080	1,990,843
Total Assets	1,760,143	3,131,294
Current Liabilities	186,543	331,860
Revenue	460,504	819,237
Net Income (Loss)	(541,854)	(963,958)
Working Capital	932,537	1,658,983

⁽¹⁾ At an exchange rate of £1: Cdn \$1.779

SHAREHOLDERS OF CHINA PUB

Details of the shareholders of China Pub are publicly available at UK Companies House, a registry which allows the public to access information on companies registered in England and Wales. Please see www.companieshouse.gov.uk

Registered shareholders holding 10% or more of the issued share capital of China Pub are set out below:

Name and jurisdiction	Number of China Pub Shares	% of Shareholding	% of Resulting Issuer (non diluted basis)
APSLEY ESTATES LIMITED (*)	117,500,000	18.1	13.63
JM FINN NOMINEES LIMITED (**)	7,238,7500	11.2	8.43

NOTES:

(*) beneficially owned by Victoria Berensen, a UK resident

(**) beneficially owned by Mark Tellwright, a UK resident

INSIDERS

Other than the China Pub directors who will become directors of the Resulting Issuer and the China Pub shareholders detailed above, there are no other insiders.

ARM'S LENGTH TRANSACTION

The Proposed Offer was negotiated on an arm's length basis by parties dealing at arm's length and therefore is not a non-arm's length qualifying transaction under the policies of the TSX-V. As a result, Phoenician shareholders' approval will not be required.

SPONSORSHIP

Sponsorship of a qualifying transaction of a capital pool company is required by TSX-V unless exempt in accordance with TSX-V policies. Phoenician intends to apply for a sponsorship exemption under section 3.4(a)(iii) of Policy 2.2 of TSX-V. Sponsorship exemption is subject to the approval of the TSX-V.

FURTHER INFORMATION:

For more information please contact:

Edwin Lee, CEO, The Phoenician Fund Corporation I
00971 4 3124393

John May, Chairman, China Pub Company Plc
0044 20 77478372
jmay@chinapubplc.com

Dealing disclosure requirements:

Under the provisions of Rule 8.3 of the Code, if any person is or becomes "interested" (directly or indirectly) in one per cent. or more of any class of "relevant securities" of either China Pub or Phoenician all "dealings" in any "relevant securities" of that company by such person (including by means of an option in respect of, or a derivative referenced to, any such "relevant security") must be publicly disclosed to a Regulatory Information Service and the Panel by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Proposed Offer becomes, or is declared, unconditional to all acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more people act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of China Pub or Phoenician, they will be deemed to be a single person for the purposes of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of China Pub or Phoenician by China Pub or Phoenician or by any of their respective "associates", must also be disclosed by no later than 12.00 noon (London time) on the business day following the date of such transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue can be found on the Panel's website – www.thetakeoverpanel.org.uk.

"Interests in Securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as

having an "interest" by virtue of ownership or control in securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website.

If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, please contact an independent financial adviser authorised under the Financial Services and Markets Act 2000, consult the Panel website at www.thetakeoverpanel.org.uk or contact the Panel by telephone (+44 (0) 207638 0129) or by fax (+44 (0) 207 236 7013).

Completion of the transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and if applicable pursuant to TSX-V Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the prospectus to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX-V has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

APPENDIX 1

CONDITIONS

CONDITIONS OF THE OFFER:

When the Proposed Offer is made (the "offer"), it will be subject to the following conditions:

1. valid acceptances being received (and not, where permitted, withdrawn) by 5.00 pm (London time) on the first closing date of the offer (or such later time(s) and/or date(s) as Phoenician may, subject to the rules of the Panel decide) in respect of not less than 90% (or such lesser percentage, not being less than 50% of the voting rights then normally exercisable at a general meeting of China Pub, as Phoenician may decide) in nominal value of the China Pub Shares to which the offer relates including for this purpose any China Pub Shares that may be unconditionally allotted or issued before the offer becomes or is declared unconditional, whether pursuant to the exercise of any outstanding conversion or subscription rights or otherwise.

For the purpose of this condition:

- (a) the expression "China Pub Shares to which the offer relates" shall be construed in accordance with sections 974 to 991 of the Companies Act 2006; and
- (b) China Pub Shares which have been unconditionally allotted but not issued shall be deemed to carry the votes which they will carry upon issue.

2. TSX-V approval of the offer, including the admission of the Phoenician Shares to be allotted to China Pub shareholders pursuant to the offer to trading on the TSX-V becoming effective in accordance with the policies of the TSX-V or if Phoenician so determines (subject to the consent of the Panel), the TSX-V agreeing to admit such Phoenician Shares to trading on the TSX-V subject to the allotment of such Phoenician Shares and/or the offer becoming or being declared unconditional in all respects; and

3. there being no material adverse change or deterioration in the business, assets, financial or trading position or profits or prospects of China Pub.

Subject to the requirements of the Panel, Phoenician reserves the right to waive, in whole or in part, Condition 3.

The offer will lapse unless Conditions 2 and 3 are fulfilled or (if capable of waiver) waived by midnight (London time) on the 21st day after the later of the first closing date of the offer and the date on which Condition 1 is fulfilled (or in each case such later date as Phoenician may, with the consent of the Panel, decide).

END OF ANNOUNCEMENT