

PCG Entertainment Plc
("PCGE", the "Company" or the "Group")
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Trading Update

PCG Entertainment Plc (AIM: PCGE), the AIM listed Asia-Pacific online gaming and media company today announces an update on its operations and trading.

On 11 August 2015, the Company published an AIM admission document setting out the terms of the Company's acquisition of Center Point Development Corporation ("CPDC") (the "Acquisition"). The CPDC Acquisition Agreement provided that CPDC's debtor, creditor and cash balances at that date would remain with the former major shareholder of CPDC (being Kolarmy Technology Inc ("Kolarmy")) post-acquisition save for US\$69,100 cash and creditors of US\$19,100.

In addition, the Company also disclosed in the admission document that on 27 March 2015 the Company, Kolarmy and CPDC's principal supplier (the "Supplier") entered into an agreement whereby CPDC was irrevocably and unconditionally released from its obligations in connection with a debt to the Supplier of US\$2,707,506 at 28 February 2015 (the "Debt") and all the Supplier's rights against CPDC in respect of the Debt were cancelled. In addition, Kolarmy agreed to assume all of the obligations and liabilities owed in connection with the Debt.

The Company has become aware that Kolarmy has not repaid the Debt to the Supplier.

This has resulted in a dispute between the Company and the Supplier, as the Supplier is now (despite the signed agreement between the Company, the Supplier and Kolarmy which absolved the Company of any responsibility for the Debt) seeking repayment of the Debt from the Company.

Whilst no legal action has yet been taken, this dispute could materially affect the Company's trading and financial position going forward.

Further to the above a principal customer is in dispute with Company over trading terms previously agreed. Whilst the Company is working to and expects to resolve this ongoing matter, the Company is currently owed certain receivables, which if not received may place further pressure on the Company's trading operations.

The Company is taking advice and is seeking to resolve this amicably.

The Group will continue to update the markets on further developments. For more information on PCGE please visit the Company's website www.pcge.com.

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