

0700 06 June 2016

PCG Entertainment Plc
("PCGE", the "Company" or the "Group")
PCG Entertainment Plc / Index: AIM / Epic: PCGE

Strategy/Company/Ops Update

PCG Entertainment Plc (AIM: PCGE), the AIM quoted Asia-Pacific online gaming and media company today announces an update on its strategy and operations to provide further clarification regarding its announcement released on 31 May 2016.

In August 2015, PCGE acquired CPDC, which has a licence to distribute games and gaming software in Asia. This business has delivered good operating profits for the Company in third and fourth quarters of 2015 and the first quarter of 2016. On 31 May 2016, PCGE released an announcement stating that:

- a) the Company is being pursued for repayment of a debt of \$2.1m dating from the acquisition of CPDC. The Company has confirmed that a debt assignment letter, signed by all parties at the time, 'irrevocably and unconditionally' released it from any obligations in connection with this debt;
- b) a principal customer is in dispute with the Company over trading terms previously agreed; and
- c) this has resulted in them withholding approximately \$1.2 million due to PCGE.

These issues only have an impact on the CPDC part of PCGE's business.

The Company has sought legal opinion and been reassured that the debt assignment letter is unequivocal and the contracts in place clearly state the trading terms agreed and that these cannot be unilaterally altered.

Nick Bryant, CEO of PCGE says "we believe we are in a very strong position to defend both the assignment letter and the contract. We believe that we will reach a negotiated settlement without recourse to legal action, but either way we hope to resolve these matters in the near future. PCGE's Strategy for the remainder of 2016 and onwards remains on track."

PCGE has various strands to its business:

- Gaming and gaming management software through CPDC
- Sports (motor racing, snooker, football)
- General media (TV programs, online broadcast)

The Board and Management have significant experience and interests in these areas and the Company aims to expand this business significantly in the second half of 2016, adding more value and increasing margins.

The Company has selected what it believes to be a world-class games delivery platform that it intends to populate with games from a number of global developers. This will be backed up by a games management system that the directors believe will give the Company a competitive advantage in the rapidly expanding markets in Asia. The Company plans to make this available to its distribution network in Q3 2016.

The Company is also in discussions with a number of media companies regarding distribution deals that it hopes to close in the coming months, including:

- A snooker series distributed by a major satellite network in China. The Company has preliminary agreements in place for a multiple world-champion player to front this show.
- A reality TV 'Search for a Motor-Racing Star' show to be distributed by a major broadcaster and online in China.
- A horse racing tipping service to be distributed throughout China

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.

Enquiries:

PCG Entertainment PLC

www.pcge.com

Nick Bryant, Chief Executive Officer

Tel: +44 208 004 4699

Richard Poulden, Chairman

Tel: +44 207 8120645

Allenby Capital Limited

Simon Clements / James Thomas

Tel: +44 203 328 5656

Beaufort Securities Limited

Elliot Hance / Saif Janjua

Tel: +44 207 382 8300

Damson PR

Abigail Stuart-Menteth / Amelia Hubert

Tel: +44 207 812 0645