

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

20 January 2017

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

Notice of Extraordinary General Meeting

Further to its announcement on 11 January 2017, PCG Entertainment Plc (AIM: PCGE), the AIM quoted Asia-Pacific online media and entertainment company, today announces notice of an Extraordinary General Meeting of the Company ("EGM") at which shareholder approval will be sought for the sale of its wholly owned subsidiary, Center Point Development Corp. The EGM will be held at 11.00 am on 10 February 2017 at the Company's register office, G1 Haven Court, 5 Library Ramp, Gibraltar.

Extracts from the Notice of EGM published on the Company's website are set out below. The full Notice of EGM and Forms of Proxy can be found on the Company's website at www.pcge.com

For further information:

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of Notice of EGM	20 January 2017
Latest time and date for receipt of Forms of Proxy for use at the Extraordinary General Meeting	11.00 am on 8 February 2017
Extraordinary General Meeting	11.00 am on 10 February 2017

All times and dates are Central European Time (“CET”). The EGM will commence at 10.00 am (GMT) / 11.00 am (CET).

LETTER FROM THE CHAIRMAN OF PCG ENTERTAINMENT PLC

Dear Shareholder (and, for information only, the holders of options and warrants in the Company),

1. Introduction

The EGM Notice for the EGM to be held at 11.00 am on 10 February 2017 at the Company’s registered office has been posted on the Company’s website in accordance with the resolutions passed at the last General Meeting. The EGM is being convened for the purpose of asking Shareholders to consider and, if thought fit, pass the Resolution.

On 11 January 2017, the Company announced that it had agreed to the sale, conditional upon shareholder approval, of CPDC, details of which are described in Section 2 below. The Resolution, details of which are included below, is proposed for the purpose of approving the sale of CPDC by Shareholders.

2. The Transaction

Following much negotiation, the Board has agreed to sell CPDC to the Purchasers, subject to the approval, by Shareholders, of the Resolution.

The consideration for CPDC will be the proceeds of the sale of 399,815,438 Ordinary Shares owned by the Purchasers, which are to be sold by Beaufort, acting as agent, with the net proceeds (after transaction costs) to be paid to the Company by Beaufort, and retained by the Company.

The net effect of the Transaction will be to acquire for sale to the benefit of the Company, shares held by the Purchasers in exchange for CPDC. In total, the Ordinary Shares being sold represent approximately 30% of the currently issued Ordinary Share capital of the Company. The sale proceeds of these Ordinary Shares will enable the Company to raise funds with no further dilution to existing shareholders.

The Board of PCGE believes that no value remains in CPDC. The gambling and gaming licence previously held by CPDC has already been transferred to another subsidiary of the Company and, due to the supplier and customer disputes previously announced, CPDC currently has no revenue.

The following Significant and Substantial Shareholders (both as defined by the AIM Rules) will cease to be Shareholders in the Company on completion of the Transaction:

Name of Shareholder	Number of Ordinary Shares	Percentage of Enlarged Share Capital
Heng Jui Lin ¹	158,152,538	11.81
Kung Min Lin ²	150,654,654	11.25
Kaitian Investment Company Limited	85,680,000	6.40

Notes:

1. *Heng Jui Lin is deemed to be interested in 158,152,538 Ordinary Shares referred to above as follows:*

- a. *37,500,000 Ordinary Shares held in his own name;*
- b. *120,401,116 Ordinary Shares held by Kolarmy Technology Inc., a company owned and controlled by Heng Jui Lin; and*
- c. *251,422 Ordinary Shares held by Kolarmy Ventures Inc., a company owned and controlled by Heng Jui Lin.*

2. *Kung Min Lin holds 138,654,654 Ordinary Shares through Forbidden City Ltd, a company in which Kung Min Lin owns a majority of the shares. Kung-Min Lin's wife, Yu-Ting Lin, holds 12,000,000 Ordinary Shares in her own name.*

3. Background to the Transaction

The Company purchased CPDC in August 2015 for a consideration of 114,811,491 new Ordinary Shares plus the \$410,000 cash payment for the initial option to purchase CPDC. Initially CPDC performed well with sales and profits both rising ahead of projections. However, as first announced on 31 May 2016, certain issues arose relating to a dispute between the vendors of CPDC and its major supplier. This dispute has proved impossible to bring to an amicable conclusion, and in turn this has prevented the development of CPDC in the way that the Board intended. As previously announced on 30 September 2016, the revenue of CPDC had declined from the original position and the Company had at that point made a provision against disputed payments (being 57% of CPDC's accumulated profits at 30 June 2016). The revenue of CPDC has continued to decline due to supplier and customer disputes, primarily related to debts owed by the previous owners.

The Board has considered taking legal action against the vendors and taken advice on this matter. The Board's conclusion is that even if it was to achieve judgement in the Company's favour in the UK, the enforceability of that judgement would be expensive and would carry no guarantee that any funds would eventually be recovered by the Company. Accordingly, the Board concluded that the actions proposed in this document are in the best interests of shareholders.

4. Fundamental Change of Business under AIM Rule 15

The sale of CPDC will constitute a fundamental change of business under AIM Rules and is therefore subject to the approval of the Resolution by Shareholders at the EGM. Because the Company's other business streams will continue, the Company will not, following the sale of CPDC, be deemed to become an AIM Rule 15 Cash Shell under the AIM Rules.

5. Future Strategy

If the Resolutions are approved, it is the intention of the Directors to pursue the strategy outlined most recently in the Company's interim results statement issued in September 2015 i.e. "...to focus on the development of (the Company's) business in the media, sports and gaming industries". This will be based upon the Company's original media and gaming licences and the previously announced initiatives in football and other sports.

It has been the Board's consistent strategy to grow the Company both organically and through acquisition. The Directors will continue to review potential acquisitions which can bring value to shareholders.

6. Current Trading

Since the Company's trading update in November 2016 management have continued to work on the sports and gaming interests previously announced. The Board will update shareholders as soon as there is something substantive to announce.

7. Extraordinary General Meeting

Set out in Part V of the Notice of EGM is a notice convening the EGM to be held at 11.00 am on 10 February 2017 at the registered office of the Company at G1 Haven Court, 5 Library Ramp, Gibraltar, at which the Resolution will be proposed for the purposes of approving the disposal of CPDC. The Resolution will be proposed as an ordinary resolution and will require a simple majority of the votes cast for it to be passed.

8. Action to be taken

You will find posted on the Company's website with this letter a Form of Proxy for use by Shareholders at the EGM. Whether or not you intend to be present at the EGM, you are requested to complete and return the Form of Proxy in accordance with the instructions in the Notice and printed on the Form of Proxy. To be valid, the completed Form of Proxy must be received by Company's registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event by no later than 11.00 am on 8 February 2017 (or, in the case of any adjournment or postponement of the EGM, not later than 48 hours before the time fixed for the holding of the adjourned or postponed meeting). Completion of a Form of Proxy will not preclude you from attending the EGM and voting in person if you so choose.

If you are a holder of Depository Interests, a Form of Direction is enclosed. To be valid, the Form of Direction should be completed, signed and returned in accordance with the instructions printed thereon to the Company's depository, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible but, in any event, so as to be received no later than 11.00 am on 7 February 2017 (or, in the case of any adjournment or postponement of the Extraordinary General Meeting, not later than 72 hours before the time fixed for the holding of the adjourned or postponed meeting).

9. Recommendation

The Board believes that the passing of the Resolution is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolution. The Directors have given an irrevocable undertaking to vote in favour of the Resolution in relation to the 147,632,026 Ordinary Shares they own or where they control the voting rights.

Yours faithfully,

Richard O'Dell Poulden

Chairman, PCG Entertainment plc

On behalf of the Board of Directors

DEFINITIONS

The following definitions apply throughout this announcement, unless the context requires otherwise:

“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	together, the AIM Rules for Companies (including the guidance notes thereto) and the AIM Rules for Nominated Advisers as published by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company for the time being
“Beaufort”	Beaufort Securities Limited, the Company’s broker
“Board”	the collective body of the Directors of the Company from time to time
“Company” or “PCGE”	PCG Entertainment plc, incorporated and registered in Gibraltar under the Gibraltar Companies Act 1930 with registered number 107915
“CPDC”	Center Point Development Corp, a whole owned subsidiary of the Company, incorporated in Belize with registered number 80218
“CREST”	the relevant system for paperless settlement of share transfers and the holding of shares in uncertificated form, which is administered by Euroclear UK & Ireland Limited
“Depository Interests”	depository interests of the Company
“Directors”	the directors of the Company as at the date of this document whose names are set out in Part II of this document
“Extraordinary General Meeting” or “EGM”	the Extraordinary General Meeting of the Ordinary Shareholders of the Company to be held on 10 February 2017 at 11.00 am and including any adjournment or postponement thereof
“Form of Direction”	the form of direction for use by the holders of Depository Interests
“Form of Proxy”	the form of proxy for use by the Shareholders in connection with the EGM which accompanies this document
“Group”	PCGE and its 100% direct and indirect subsidiary undertakings as at the date of this document
“Kolarmy”	Kolarmy Technology Inc., a company incorporated in Brunei with registration number NBD/10419
“London Stock Exchange”	London Stock Exchange plc
“Notice of EGM” or “Notice of Extraordinary General Meeting” or	the notice of the EGM which is set out at Part V of this document

“EGM Notice”

“Ordinary Shares”

the ordinary shares of 0.1 pence each in the capital of the Company

“Purchasers”

Kolarmy and certain other existing shareholders of PCGE, some of whom were the vendors of CPDC when purchased by PCGE, who have agreed to purchase CPDC under the terms of an agreement dated 10 January 2017

“Resolution”

the Resolution set out in the EGM Notice to approve the sale of CPDC to the Purchasers

“Shareholder(s)”

holder(s) of the Ordinary Shares

“Transaction”

collectively the sale of CPDC to the Purchasers and the sale of the Ordinary Shares held by the Purchasers by Beaufort for the benefit of the Company

“United Kingdom” or “UK”

the United Kingdom of Great Britain and Northern Ireland

**“uncertificated” or “in
uncertificated form”**

recorded on the register of members of the Company as being held in uncertificated form in CREST