

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 (or if you are a person outside the UK a person otherwise duly qualified in your jurisdiction) who specialises in advising on the acquisition of shares and other securities before taking any action. The whole text of this document should be read, including those items incorporated by reference. Investment in the Company is speculative and involves a high degree of risk.

This document constitutes an admission document in accordance with the AIM Rules for Companies published by London Stock Exchange plc. This document does not constitute a prospectus for the purposes of the Prospectus Rules and has not been approved by or filed with the FCA. Any offer of Ordinary Shares in the United Kingdom is being made only to qualified investors for the purposes of and as defined in section 86(7) of FSMA and accordingly this document does not constitute, and the Company is not making an offer to the public within the meaning of sections 85(1) and 102B of FSMA.

The Board, whose names appear on page 8 of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document, including those items incorporated by reference. To the best of the knowledge and belief of the Board and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Board and the Company are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document, including those items incorporated by reference.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UKLA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the London Stock Exchange nor the UKLA has itself examined or approved the contents of this document. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. The Ordinary Shares will not be dealt on any other recognised investment exchange and no other such application will be made.

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings for normal settlement in the Enlarged Share Capital will commence on 28 August 2015. The new Ordinary Shares to be issued on Admission will, on issue, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after their issue.



PCG Entertainment PLC

*(Incorporated in Gibraltar under the Gibraltar Companies Act 1930 with registered number 107915)
(ISIN: GI000A1171Y8)*

Proposed acquisition of Center Point Development Corp.,

Notice of General Meeting and

Admission of the Enlarged Share Capital to trading on AIM

Nominated Adviser

Sanlam Securities UK Limited

Broker

Beaufort Securities Limited

Share capital immediately following completion of the Acquisition and the issue of the Kolarmy Conversion Shares and the Damson Shares and Admission

Authorised number

3,000,000,000 Ordinary Shares of par value £0.001

Issued and fully paid

1,180,438,344 Ordinary Shares of par value £0.001

The whole text of this document should be read, including those items incorporated by reference. Investment in the Company is speculative and involves a high degree of risk. Your attention is also drawn to the section headed "Risk Factors" in Part III of this document which sets out certain risk factors relating to an investment in the Ordinary Shares. All statements regarding the Group's business, financial position and prospects should be viewed in light of the risk factors set out in Part III of this document.

Sanlam Securities and Beaufort Securities, each of which are authorised and regulated in the United Kingdom by the FCA, are acting as nominated adviser and broker respectively to PCGE in connection with the Proposals and are not acting for anyone else and will not be responsible to anyone other than PCGE for providing the protections afforded to customers of Sanlam Securities or Beaufort Securities or for providing advice in relation to the contents of this document and the admission of the entire issued and to be issued share capital of the Company to trading on AIM. In particular, Sanlam Securities, as nominated adviser to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors or to any other person in respect of his or her decision to acquire Ordinary Shares in reliance on any part of this document. Sanlam Securities and Beaufort Securities accept no liability for the accuracy of any information or opinions contained in or for the omission of any material information from this document, for which the Company and its Directors are solely responsible.

No legal, business, tax or other advice is provided in this document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

For the purpose of Section 21 of FSMA, this document constitutes a financial promotion which has been issued by the Company, but whose content has not been approved by any person authorised by the FCA. Accordingly, it may only be used as a communication made to (i) persons authorised under FSMA and other categories of "investment professional" defined in accordance with article 19 of FSMA (Financial Promotion) Order 2005 (the "Order"); and (ii) high value entities as referred to in article 49(2) (a), (b) and/or (c) of the Order (or individuals in their capacities as directors, officers or employees of such entities). The Company has not sanctioned the use of this document for a financial promotion to any person not falling under articles 19 or 49 of the Order and no such person should place reliance upon this document for any purpose. Use of this document other than in accordance with this restriction is not permitted and may contravene FSMA. No representation or warranty, express or implied, is made by the Company, Sanlam Securities or Beaufort Securities to prospective purchasers of Ordinary Shares as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued). The information contained in this document, including those items incorporated by reference is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly to the extent permitted by law no duty of care is accepted by the Company, Sanlam Securities or Beaufort Securities in relation to them. Nothing in this document shall be effective to limit or exclude any liability for fraud or which otherwise cannot, by law or regulation, be so limited or excluded.

No information or representation should be relied upon in relation to the Ordinary Shares other than as contained in this document, including those items incorporated by reference. No person has been authorised to give any information or make any representation other than that contained in this document, including those items incorporated by reference and, if given or made, such information or representation must not be relied upon as having been authorised. However, nothing in this document shall be effective to limit or exclude any liability for fraud or which otherwise cannot, by law or regulation, be so limited or excluded.

A notice convening a General Meeting of the Company to be held at the registered offices of the Company at G1 Haven Court, 5 Library Ramp, Gibraltar on 26 August 2015 at 10.00 a.m. is set out at the end of this document. A Form of Proxy accompanies this document. To be valid, Forms of Proxy for use at the meeting must be completed and returned so as to be received at the offices of the Company's registrars, PXS 1, 34 Beckenham Road, Kent BR3 4TU not later than 10.00 a.m. on 24 August 2015, being 48 hours before the time appointed for the holding of the General Meeting. The completion and depositing of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the General Meeting. If you are a holder of Depositary Interests, a form of direction accompanies this document. To be valid, forms of direction for use at the meeting must be completed and returned so as to be received at the offices of the Company's Depositary, Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Kent BR3 4TU not later than 10.00 a.m. on 24 August 2015, being 48 hours before the time appointed for the holding of the General Meeting.

Prospective investors are advised to read, in particular, Part I, Part II and Part III for a more complete discussion of the factors that could affect the Group's future performance and the industry in which it will operate.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, amongst other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements. Factors that might cause such a difference, include, but are not limited to the risk factors set out in Part III of this document.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Prospective investors should therefore specifically consider the risk factors contained in Part III of this document that could cause actual results to differ before making an investment decision. Save as required by law or by the AIM Rules for Companies, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

The distribution of this document into jurisdictions other than the United Kingdom may be restricted by law. Any failure to comply with any of the restrictions may constitute a violation of the securities law of any such jurisdiction. In particular this document should not be distributed in or into, forwarded to or transmitted to the United States or any other Restricted Jurisdiction. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act 1933 or under the securities laws of any state, district or other jurisdiction of the United States, or under the securities laws of any other Restricted Jurisdiction or any state, province or territory thereof or any other jurisdiction outside the United Kingdom. There will be no public offer in any Restricted Jurisdiction. Accordingly, the Ordinary Shares may not be taken up, offered, sold, resold, delivered or distributed, directly or indirectly, through CREST or otherwise, within, into or from the United States or any of the other Restricted Jurisdictions or to, or for the account of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of such jurisdictions or to any person in any country or territory where to do so would or might contravene local securities laws or regulations except pursuant to an applicable exemption. This document does not constitute an offer to sell or the solicitation of any offer to buy Ordinary Shares or any other securities in any jurisdiction in which such offer or solicitation is unlawful. No action has been taken by the Company or Sanlam Securities or Beaufort Securities that would permit an offer of Ordinary Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law or other laws of any such jurisdictions.

This document does not constitute a public offer of securities in any part of the United Arab Emirates (“UAE”). The person or entity to whom this document has been issued understands, acknowledges and agrees that the document is not approved by the UAE Central Bank, the Emirates Securities & Commodities Authority, the Dubai Financial Services Authority or any other relevant regulatory

authority in the UAE. The document is strictly private and confidential and is being distributed to a limited number of sophisticated and/or professional investors upon their request. The document and any other offering material do not constitute a public offer of securities in the UAE in accordance with Commercial Companies Law, Federal Law No. 8 of 1994 (as amended) or otherwise or an advertisement or solicitation to the public, and is intended only for the individual recipients to whom this document is personally provided and may not be reproduced or used for any other purpose. Nothing in this document is intended to constitute investment, legal, tax, accounting or other professional advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation. At the present date, there is no taxation regime applying to private individuals in the UAE. Potential investors who are concerned about possible tax implications of purchasing foreign securities, for their taxable status under their 'home country' (or other) tax regimes applicable to them, should consult their personal tax advisers.

No securities in the Company are being offered for sale in Hong Kong, by means of any document, other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. The Company has not issued or had in their possession for the purposes of issuing, and will not issue or have in their possession for the purposes of issuing, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to securities in the Company, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to securities of the Company which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance. The contents of this document have not been reviewed by, or registered with, any regulatory or governmental authority in Hong Kong. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

The Ordinary Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Ordinary Shares in Taiwan.

The Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the "US Securities Act") and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. The Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the Ordinary Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of any Ordinary

Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document, including those items incorporated by reference. Any representation to the contrary is a criminal offence in the US.

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Basis on which financial information is presented

The accountants' reports on the historical financial information included in Part IV of this document have been prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and the related consent to their inclusion in Part IV of this document has been included as required by the AIM Rules for Companies and solely for that purpose.

The historical financial information in this document and the notes to the historical financial information have been prepared by the Directors of the Company in accordance with IFRS as adopted by the European Union.

Various figures and percentages in tables in this document have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

In the document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom, references to "US dollars", "US\$", "\$" and "USD" are to the lawful currency of the United States, references to "RMB" are to the lawful currency of the PRC and references to "HK\$" or "Hong Kong dollars" are to the lawful currency of Hong Kong.

Third party information

Where information has been sourced from a third party, the information has been accurately reproduced and, as far as the Company and the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this document, the source of such information has been identified. The Company takes responsibility for compiling and extracting, but has not independently verified, market data provided by third parties or industry or general publications and takes no further responsibility for such data. Reference materials include various historical and recent publications. A comprehensive list of reports and information used in the preparation of this document is available if required.

References to defined terms

Certain terms used in this document are defined in the section of this document under the heading "Definitions".

All times referred to in this document are, unless otherwise stated, references to London time.

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Expected Timetable of Principal Events

Publication of this document	11 August 2015
Latest time and date for receipt of completed Forms of Proxy to be valid at the Annual General Meeting	10.00 a.m. on 31 August 2015
Latest time and date for receipt of completed Forms of Proxy to be valid at the General Meeting	10.00 a.m. on 24 August 2015
Annual General Meeting	10.00 a.m. on 2 September 2015
General Meeting	10.00 a.m. on 26 August 2015
Admission, completion of the Acquisition and commencement of dealings in the Enlarged Share Capital on AIM	28 August 2015
Expected date for CREST accounts to be credited with Depositary Interests in respect of the Initial Consideration Shares, Kolarmy Conversion Shares and Damson Shares (where applicable)	28 August 2015
Despatch of definitive share certificates in respect of the Initial Consideration Shares, Kolarmy Conversion Shares and Damson Shares to be held in certificated form by no later than	31 August 2015

Each of the above dates is subject to change at the absolute discretion of the Company and Sanlam Securities. All references to times are to London time unless otherwise stated. Temporary documents of title will not be issued.

Statistics

Number of Existing Ordinary Shares	1,062,147,877
Number of Initial Consideration Shares being issued	114,811,491
Number of Kolarmy Conversion Shares being issued	3,145,643
Number of Damson Shares being issued	333,333
Enlarged Share Capital following Admission	1,180,438,344
Expected market capitalisation of the Company following Admission ⁽¹⁾	£62 million
Initial Consideration Shares, Kolarmy Conversion Shares and Damson Shares expressed as a percentage of the Enlarged Share Capital	10.0 per cent.
Initial Consideration Shares expressed as a percentage of the Enlarged Share Capital	9.7 per cent.
ISIN (of the Ordinary Shares and the Depositary Interests)	GI000A1171Y8
Ticker	PCGE
SEDOL	A1171Y8

⁽¹⁾ at the middle market price of the Ordinary Shares at the time of suspension on 13 February 2015

Directors, Company Secretary and Advisers

Directors	Kung Min Lin <i>Non-Executive Chairman</i> Richard O'Dell Poulden <i>Non-Executive Deputy Chairman</i> Nicholas Jonathan Michael Charles Bryant <i>Chief Executive Officer</i> Clive Mark Hyman <i>Chief Financial Officer</i> Prof. Michael Raymond Mainelli <i>Non-executive Director</i> Alan David Gravett <i>Non-executive Director</i>
Company Secretary	Hawk Secretaries Ltd G1 Haven Court 5 Library Ramp Gibraltar
Registered and Head Office	G1 Haven Court 5 Library Ramp Gibraltar
Company website	www.pcge.com
Nominated Adviser	Sanlam Securities UK Limited 10 King William Street London EC4N 7TW
Broker	Beaufort Securities Limited 131 Finsbury Pavement London EC2A 1NT
Public Relations	damson pr limited Blisbury Farm Berkeley GL13 9RB
Legal advisers to the Company	Pinsent Masons LLP 30 Crown Place London EC2A 4ES
Legal advisers to the Company as to Gibraltar Law	Hassans International Law Firm 57/63 Line Wall Road P.O. Box 199 Gibraltar
Legal advisers to the Company as to PRC law	Shujin Law Firm 12/F., Taiping Finance Tower Yitian Road 6001 Shenzhen
Legal advisers to the Company as to Brunei law	Abrahams, Davidson & Co. Advocates & Solicitors Ground, 1st and 2nd Floor, Units 1 & 2, Block B Bangunan Begawan Pehin Dato Haji Md Yusof Kampong Kiulap Bandar Seri Begawan BE1518 Brunei Darussalam

Legal advisers to the Company as to Belize law Morgan & Morgan Trust Corp. (Belize) Ltd.
Withfield Tower
3rd Floor
4792 Coney Drive
Belize City
Belize

Legal advisers to the Nominated Adviser and Broker DAC Beachcroft LLP
100 Fetter Lane
London EC4A 1BN

Auditors and Reporting Accountants Nexia Smith & Williamson Audit Limited
25 Moorgate
London EC2R 6AY

Depository Capita IRG Trustees Limited
The Registry
34 Beckenham Road
Kent BR3 4TU

Registrars Capita Registrars (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey
GY2 4LH

Definitions

The following words and expressions shall have the following meaning in this document unless the context otherwise requires:

“Act” or “UK Companies Act”	the Companies Act 2006
“Acquisition”	the proposed acquisition of the entire issued share capital of CPDC pursuant to the CPDC Acquisition Agreement
“Admission”	the re-admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AIC”	the Administration for Industry and Commerce in the Chaoyang district of Beijing
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	together, the AIM Rules for Companies, and the AIM Rules for Nominated Advisers
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 10.00 a.m. on 2 September 2015 at the registered offices of the Company at G1 Haven Court, 5 Library Ramp, Gibraltar
“Articles”	the articles of association of the Company as amended and/or restated from time to time
“Beaufort Securities” or “Broker”	Beaufort Securities Limited, a company incorporated in England and Wales under company number 2693942 and authorised and regulated by the FCA
“Board” or “Directors”	the directors of the Company, whose names are set out on page 8 of this document
“Business Licence”	any of the certificates of incorporation of Sihai Geju or Jingtuo and/or any updated certificates of incorporation following each of the changes to the corporate information such as change of company name, registered capital, paid in capital, business scope, legal representative and shareholding interest, etc., which are issued by the competent AIC
“Capita Registrars”	a trading name of Capita PLC
“certificated” or “in certificated form”	an Ordinary Share which is not in uncertificated form
“City Code”	the City Code on Takeovers and Mergers
“Client Provider Authorization”	the client provider authorisation dated 10 November 2013 issued to CPDC by the Kahnawake Gaming Commission in Quebec, Canada

“Company” or “PCGE”	PCG Entertainment PLC, a company incorporated in Gibraltar under the Gibraltar Companies Act 1930 with registered number 107915
“Completion”	completion of the CPDC Acquisition Agreement
“Connected Parties”	as defined in section 252 of the UK Companies Act
“Cooperation Agreements”	the HPC Cooperation Agreement and the HLC Cooperation Agreement
“CPDC”	Center Point Development Corp., a company incorporated in Belize under the International Business Companies Act, Chapter 270 of the Laws of Belize, Revised Edition 2000, as an International Business Company on 23 December 2008 with company number 80,218, whose registered office is No. 5 Cork Street, Belize City, Belize
“CPDC Acquisition Agreement”	the conditional agreement dated 11 August 2015 between (1) the Vendors, (2) CPDC, (3) the Company and (4) PCGSS, a summary of which is set out in paragraph 9.15 of Part V of this document
“CPDC Shareholders”	Kolarmy, Coolbiz Corporation, Sainly Enterprises Ltd, Ton Yuan Enterprise Ltd and Greatwall Technology Inc
“CPG”	China Poker Games, a brand name of HPC
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended)
“Custodian”	any custodian or any nominee of any such custodian of the deposited property as may from time to time be appointed by the Depositary for the purposes of the Deed Poll
“damson pr”	either damson pr or damson pr limited, both of Blisbury Farm, Berkeley GL13 9RB, the provider of public relations services to the Group
“Damson Shares”	the 333,333 Ordinary Shares to be allotted conditional on Admission to damson pr as consideration for public relations services provided to the Group
“Deed Poll” or “DI Deed Poll”	the deed poll dated 20 November 2014 executed by the Depositary in favour of the holders of the Depositary Interests from time to time
“Depositary”	Capita IRG Trustees Limited
“Depositary Interests” or “DIs”	a depositary interest in uncertificated form representing Ordinary Shares issued to a holder on the terms of the DI Deed Poll described at paragraph 21.2 of Part V of this document

“DI Holder”	the holder of a DI issued pursuant to the terms of the DI Deed Poll
“Disclosure and Transparency Rules” or “DTR”	the Disclosure Rules and Transparency Rules made by the FCA pursuant to section 73A of the FSMA
“Enlarged Group”	the Group as enlarged by the Acquisition
“Enlarged Share Capital”	the issued Ordinary Shares upon Admission, comprising the Existing Ordinary Shares, the Initial Consideration Shares, the Kolarmy Conversion Shares and the Damson Shares
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
“Existing Ordinary Shares”	the 1,062,147,877 Ordinary Shares in issue immediately prior to Admission
“FCA”	the Financial Conduct Authority of the United Kingdom
“FIE”	foreign invested enterprise
“Form of Proxy”	the form of proxy sent to the holders of Existing Ordinary Shares enclosed with this document for use by Shareholders in connection with the General Meeting
“Framework Agreement”	the agreement dated 3 November 2014 between, <i>inter alia</i> , Sihai Geju and the Company, HPC and HLC relating to the grant of options to acquire 10 per cent. of the share capital of HLC and HPC, pursuant to which notice to exercise such options was given on 4 December 2014, as detailed in paragraph 9.20 of Part V of this document
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Further Consideration”	the further consideration (if any) (such amount not to exceed US\$10,000,000 in excess of the Initial Consideration), payable (if at all) in accordance with the terms of the CPDC Acquisition Agreement by the issue of the Further Consideration Shares
“Further Consideration Shares”	such number (if any) of new Ordinary Shares (not to exceed 119,720,011) that may be issued in accordance with the Terms of the CPDC Acquisition Agreement in satisfaction of the Further Consideration (if any)
“Further Enlarged Share Capital”	the issued Ordinary Shares upon admission to trading on AIM of the Further Consideration Shares, being the Enlarged Share Capital and the Further Consideration Shares (assuming the maximum number of Further Consideration Shares being 119,720,011 Ordinary Shares is issued)
“Gaming Investments”	the 10 per cent. investments in the issued share capital of HPC and HLC, pursuant to the Framework Agreement, as further detailed in paragraph 9.20 of Part V of this document

“General Meeting” or “GM” or “Extraordinary General Meeting” or “EGM”	the general meeting of the Company to be held at 10.00 a.m. on 26 August 2015 at the registered offices of the Company at G1 Haven Court, 5 Library Ramp, Gibraltar
“Gibraltar Act”	the Companies Act 2014 of Gibraltar including any re-enactment, amendment or modification thereof
“Group” or “PCGE Group”	the Company and its subsidiary undertakings which includes PCGE, PCGEL, PCGSS, Jingtuo and Sihai Geju and “Group Company” should be interpreted accordingly
“HLC”	Hainan Huan’ao Sports Industry Co., Ltd., a company incorporated under the laws of the PRC
“HLC Cooperation Agreement”	the agreement dated 3 November 2014 between Sihai Geju and HLC governing the strategic collaboration between the parties, as further detailed in paragraph 9.22 of Part V of this document
“HMRC”	Her Majesty’s Revenue and Customs
“HPC”	Hainan Huan’ao Culture Media Co., Ltd., a company incorporated under the laws of the PRC
“HPC Cooperation Agreement”	the agreement dated 3 November 2014 between Sihai Geju and HPC governing the strategic collaboration between the parties, as further detailed in paragraph 9.21 of Part V of this document
“HSLMC”	Hainan Sports Lottery Management Centre
“IFRS”	International Financial Reporting Standards
“Independent Directors”	the directors of the Company that are independent insofar as the Acquisition is concerned, being Richard Poulden, Nicholas Bryant, Clive Hyman, Prof. Michael Mainelli and Alan Gravett
“Initial Consideration”	the initial consideration, being US\$10,000,000 less the Option Price, payable on Completion in accordance with the CPDC Acquisition Agreement
“Initial Consideration Shares”	the 114,811,491 Ordinary Shares to be issued on Completion in satisfaction of the Initial Consideration
“Irrevocable Undertakings”	the agreement by certain Directors and shareholders to vote in favour of the Resolution as summarised in paragraph 9.33 of Part V of this document
“Jingtuo”	Jingtuo World Technology Consulting (Beijing) Limited, a company incorporated under the laws of the PRC
“Kenmore”	Kenmore Ventures Limited, a company incorporated in the British Virgin Islands, whose registered office is at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola

“Kolarmy”	Kolarmy Technology Inc, a company incorporated under the laws of Brunei (No NBD/10419) whose registered office is at Britannia House, 22, 2nd Floor, Cator Road, Bandar Seri Begawan, BS 8811, Brunei Darussalam, Brunei
“Kolarmy Conversion Shares”	the 3,145,643 of Ordinary Shares to be allotted conditional on Admission to Kolarmy at a conversion price of 6 pence per new Ordinary Share in respect of the conversion of the principal amount of US\$300,000 of loan notes pursuant to the Kolarmy Loan Note
“Kolarmy Loan Note”	the convertible loan note issued by the Company to Kolarmy on 2 October 2014 in the principal amount of up to US\$1,000,000
“Licences”	the four licences held by the Group on Admission as further detailed in paragraph 2 of Part II of this document
“London Stock Exchange”	London Stock Exchange plc
“Market Abuse Directive”	Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse)
“Memorandum”	the memorandum of association of the Company as amended and/or restated from time to time
“MOF”	Ministry of Finance, China
“OECD”	Organisation for Economic Co-operation and Development
“Official List”	the Official List of the UKLA
“Option”	the option to acquire the entire issued and to be issued share capital of CPDC granted to the Company by Kolarmy pursuant to the Option Agreement, further details of which are set out in paragraph 9.14 of Part V
“Option Agreement”	the agreement entered into by the Company, CPDC and Kolarmy on 13 February 2015 pursuant to which the Company was granted the Option
“Option Price”	the sum of US\$410,000
“Ordinary Shares”	Ordinary shares of £0.001 each in the capital of the Company
“Original Admission”	the original admission of the Group to trading on AIM on 4 December 2014
“Original Admission Document”	the admission document published on 28 November 2014 in connection with Original Admission
“Original Beaufort Warrant Agreement”	the warrant agreement dated 28 November 2014 entered into between the Company and Beaufort Securities in connection with Original Admission described in paragraph 9.4 of Part V of this document

“Original Placing Agreement”	the agreement dated 28 November 2014 and made between (1) the Company (2) Beaufort Securities (3) Sanlam Securities and (4) the Directors relating to Original Admission
“Original Sanlam Securities Warrant Agreement”	the warrant agreement dated 28 November 2014 entered into between the Company and Sanlam in connection with Original Admission described in paragraph 9.3 of Part V of this document
“Original Subscribers”	the investors on whose behalf YTB (acting as agent) executed the Original Subscription Agreement
“Panel” or “Takeover Panel”	the Panel on Takeovers and Mergers
“PCGEL”	PCG Entertainment Limited (previously called Hong Kong Strategic Services Limited), a company incorporated in Hong Kong with incorporation number 1656551
“PCGEL Further Consideration Shares”	the 105,091,436 Ordinary Shares allotted conditional on Original Admission as referred to in paragraph 9.17 of Part V of this document
“PCGEL Share Sale Agreement”	the share sale agreement dated 20 December 2013 between each member of PCGEL and the Company, as amended by a letter of variation dated 10 October 2014, as described in paragraph 9.17 of Part V of this document
“PCGSS”	PCG Software Services Limited, a company incorporated on 17 June 2014 in Gibraltar with company number 111671
“PCGSS Share Sale Agreement”	the share sale agreement dated 19 March 2015 between Solent Nominees Limited and the Company pursuant to which the Company acquired the entire issued share capital of PCGSS, as described in paragraph 9.16 of Part V of this document
“PRC”	the People’s Republic of China
“PRC Shareholders”	the current registered shareholders of Sihai Geju, its predecessors or any other such individuals as the case may be from time to time, which at the date of this document are Hong Lu and Min Zhang
“Proposals”	(a) the Acquisition and (b) Admission
“Prospectus Rules”	the prospectus rules made by the FCA pursuant to section 73A of the FSMA
“QCA Code”	the Corporate Governance Code for Small and Mid-sized Quoted Companies 2013 published by the Quoted Companies Alliance (as amended from time to time)
“Registrar”	Capita Registrars (Guernsey) Limited
“Resolution”	the resolution set out in the notice convening the General Meeting

“Restricted Business”	the provision of value added telecommunication services and the provision of internet cultural business
“Restricted Jurisdiction”	United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan and/or any other jurisdiction where the Ordinary Shares may not be offered, sold, taken up, delivered, distributed in, into or from
“Reverse Takeover Agreement”	the conditional agreement dated 11 August 2015 and made between (1) the Company (2) Beaufort Securities (3) Sanlam Securities and (4) the Directors relating to the Admission, further details of which are set out in paragraph 10 of Part V of this document
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC
“Sanlam Securities”	Sanlam Securities UK Limited, a company incorporated in England and Wales under company number 1825671 and authorised and regulated by the FCA
“Security Review”	the mergers and acquisition review for national economic security purpose
“Share Option Scheme”	the Company’s share option scheme known as the PCG Entertainment PLC General Share Option Scheme as described in paragraph 18 of Part I, and paragraph 9.24 of Part V of this document
“Shareholder”	a holder of Ordinary Shares from time to time (including, where the context requires, a holder of Ordinary Shares in CREST via depositary interests)
“Sihai Geju”	Beijing Sihai Geju Culture Media Company Limited, a company incorporated under the laws of the PRC
“SMS”	short message service
“Taiwan”	the Republic of China
“UK Corporate Governance Code”	the UK corporate governance code published by the Financial Reporting Council from time to time
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“uncertificated” or “uncertificated form”	recorded on the register of Ordinary Shares as being “in held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US”, “USA”, or “United States”	the United States of America, each state thereof, its territories and possessions and the District of Columbia and all other areas subject to its jurisdiction

“Usage Rights Agreement”	the agreement entered into with Kenmore by CPDC on 24 August 2012 as amended on 1 September 2014, further details of which are set out in paragraph 9.34 of Part V
“VAT”	UK value added tax
“Vendors”	Kolarmy and the other CPDC Shareholders
“VIE”	a variable interest entity
“VIE Arrangements”	the contracts pursuant to which Jingtuo exercises control over Sihai Geju as more particularly described at paragraph 9.38 of Part V
“Warrants”	the warrants issued by the Company in connection with Original Admission
“WFOE”	a Wholly Foreign Owned Enterprise under the laws of the PRC
“YA Global Master SPV”	YA Global Master SPV, Ltd., a company registered in the Cayman Islands with registration number 221956
“Yorkville Implementation Fee Shares”	the 1,666,667 Ordinary Shares allotted conditional on Original Admission in satisfaction of the £100,000 implementation fee payable by the Company in connection with the Yorkville SEDA
“Yorkville SEDA”	the agreement dated 27 November 2014 between the Company and YA Global Master SPV, in respect of the Equity Line Facility, further details of which are set out in paragraph 9.27 of Part V of this document
“YTB”	Yuanta Corporation Bank acting as duly authorised agent and trustee on behalf of the Original Subscribers

PART I

LETTER FROM THE NON-EXECUTIVE DEPUTY CHAIRMAN OF PCG ENTERTAINMENT PLC

PCGE Entertainment PLC

(Incorporated in Gibraltar under Gibraltar Companies Act 1930 with registered number 107915)

Directors:

Kung Min Lin, *Non-Executive Chairman*
Richard O'Dell Poulden, *Non-Executive Deputy Chairman*
Nicholas Jonathan Michael Charles Bryant, *Chief Executive Officer*
Clive Mark Hyman, *Chief Financial Officer*
Prof. Michael Raymond Mainelli, *Non-Executive Director*
Alan David Gravett, *Non-Executive Director*

Registered Office:

G1 Haven Court
5 Library Ramp
Gibraltar

11 August 2015

To all holders of Existing Ordinary Shares and, for information only, to holders of options and warrants issued by the Company

Dear Shareholders,

Proposed acquisition of Center Point Development Corp.,

Notice of General Meeting

and

Admission of the Enlarged Share Capital to trading on AIM

1. Introduction and background

At the time of the Company's admission to trading on AIM in December 2014, the Board stated that it anticipated further strong economic growth in the Asia-Pacific region. In addition, the Board expected that growth in internet penetration and disposable income, combined with more stringent regulation around the gaming market in that region, would be key drivers to the Group's future development, enabling it to capitalise on the Licences and the authorisations already held within the PCGE Group.

The Board remains of this opinion and it was with this in mind that the Directors were delighted to announce on 13 February 2015 that the Company had identified a potential acquisition target in the form of CPDC and had entered into an option to acquire it. CPDC is a profitable distributor of gaming software and ancillary services in Asia. The acquisition of CPDC is complementary to the Group's existing interests, in particular HLC which is an authorised sports lottery reseller and HPC which offers poker tournaments on the Chinese mainland, in both of which the Group has options to acquire minority stakes.

The Directors believe that the Acquisition provides additional strategic size across the PCGE Group's existing businesses' target markets and is expected to enable the leveraging and augmentation of the networks and relationships of the Directors. In addition, the Directors consider that the cash flow expected to be generated by CPDC should be transformative to the Group, bringing anticipated substantial free cash for utilisation across the Group. These aspects particularly should enable the Group to develop and enhance all of the businesses within the Enlarged Group.

PCGE is proposing to acquire the entire issued share capital of CPDC from the CPDC Shareholders for an initial consideration of \$10,000,000 (less the Option Price already paid), which is to be satisfied by the issue of the Initial Consideration Shares and a maximum deferred consideration of \$10,000,000, which is to be satisfied by the issue of Further Consideration Shares in accordance with the terms of the CPDC Acquisition Agreement. Further details of the terms of the Acquisition are set out below under the heading "Principal Terms of the Acquisition".

In connection with the Proposals, the Company proposes to apply for the admission of the Enlarged Share Capital to trading on AIM. The Acquisition is conditional, *inter alia*, upon the approval of the Resolution by Shareholders at the General Meeting and/or on Admission. It is expected that Admission will become effective and dealings in the Enlarged Share Capital will commence on AIM on 28 August 2015.

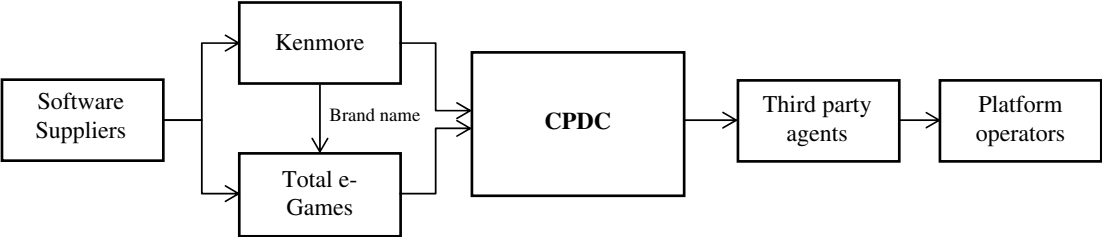
The main purpose of this document is to give you the reasons for, and details of, the Proposals, to explain why the Independent Directors considers that they are in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of the Resolution.

2. Background information on CPDC

Introduction and history

CPDC was incorporated in Belize on 23 December 2008 by Amber Nominees Limited, as agent for Heng Jui Lin, a Shareholder in the Company and brother of Kung Min Lin, Non-Executive Chairman of the Company. CPDC’s business was subsequently established and commenced trading in 2013 (having entered into a usage rights agreement with Kenmore Ventures Limited in August 2012) distributing third party gaming products and customer relationship management services to agents in Asia. Heng Jui Lin has been the sole director of CPDC since incorporation and, with assistance from Kung Min Lin, has been responsible for the relationships with all of CPDC’s contracted agents. Further details of the terms of the Usage Rights Agreement, addendums and subsequent agreements are set out below and in paragraph 9.34 of Part V of this document.

CPDC currently acts as agent, distributing and offering for sale via the Usage Rights Agreement: (i) a multi-level agency system supplied by Kenmore , which allows the gaming platform operator to manage cash flows and accounts; and (ii) a portfolio of e-games which are also supplied by Kenmore, via Total e-Games, its brand name for the Asian market. The agency system and the e-games can be supplied together to the gaming platform operator or (subject to relevant permissions being obtained where appropriate from Kenmore) can be integrated with alternative gaming solutions. Accordingly, CPDC also provides assistance with integration as well as providing technical support.



Usage Rights Agreement

Under the terms of the current Usage Rights Agreement with Kenmore, Kenmore is entitled to receive a percentage of the monthly net revenue (being the sum of all player participation contributions minus the sum of all payouts) generated by the clients of CPDC utilising the multi-level agency system. CPDC has entered into agency agreements with five agents to utilise the Kenmore software. The income receivable from these agents is also based on a percentage of the monthly net revenue.

An addendum to CPDC’s original usage rights agreement with Kenmore was entered into in August 2012. This permitted CPDC to offer all or some of the games provided under Kenmore’s brand name, Total e-Games.

The rights granted under the Usage Right Agreement are not exclusive to CPDC and Kenmore may enter into similar agreements with other parties.

Total e-Games

Total e-Games is the brand name of Kenmore’s distribution arm of gaming software products for the Asian market. Kenmore has granted a licence to CPDC pursuant to the Usage Rights Agreement to act as a wholesaler of this software, specifically its banking and payments system.

The banking and payments system tracks all player deposits and withdrawals, allowing operators to manage all funds which pass through their books. Furthermore, these systems can be used with the assistance of commercial partners such as CPDC to assist with the formulation and execution of global payment strategies.

The opportunity

The product offering of CPDC enables gaming platform operators, via CPDC's agents, to access established gaming products and ancillary services which are underpinned by technologies which can be leveraged across a number of channels. Through this, the extensive third party content can be delivered through multiple channels including web, mobile, live and broadcast which the Directors believe creates an enhanced player experience, resulting in greater player retention and improved player revenue. Under the terms of the Usage Rights Agreement, CPDC is authorised as an agent and distributor by Kenmore in China, Taiwan, Macao, Hong Kong, Vietnam, Malaysia and Thailand.

GT Asia is CPDC's dominant source of revenues. The Enlarged Group intends to work with its agents to develop marketing strategies which could result in more gross revenue generating games being brought to the market, which could, if appropriate, be through other platforms.

It is intended that CPDC will seek growth through a number of different avenues. These will include: (i) an increase in the number of usage agreements; (ii) obtaining licences to wholesale software products of other independent gaming software developers; (iii) obtaining licences through additional territories; and (iv) developing its own gaming software.

Please also refer to Part III of this document dealing with certain risk factors associated with the Group's business and operations.

3. Regulatory environment

CPDC has been issued with the Client Provider Authorization by the Kahnawake Gaming Commission in Quebec, Canada. The Client Provider Authorization permits CPDC to provide interactive gaming services from premises in the Mohawk territory of Kahnawake relating to interactive games of chance or mixed chance and skill. Whilst it was not a requirement of Kenmore, the Directors understand that CPDC acquired the Client Provider Authorization as part of its commitment to sound corporate governance and to benefit it in dealings with potential suppliers and customers. The Client Provider Authorization expires on 10 November 2015 at which time it is the Board's intention that it will be renewed.

The general rules and regulations on online gaming services in the PRC are relatively recent and their implementation is uncertain, and the Directors believe such rules and regulations are similar in Taiwan, Macao, Hong Kong, Vietnam, Malaysia and Thailand. Further information is set out in the Risk Factors in Part III of this document. However, the Directors believe that CPDC is well established in these various jurisdictions, using an established gaming platform that is well developed, and on which a number of successful games are available.

4. Key strengths

The Directors believe that the CPDC's key strengths are its:

- existing contract and relationships with Kenmore;
- utilisation and deployment of their suite of software products;
- management's relationships with, and proven track record of attracting and retaining, major gaming software distributors/agents;
- strong and innovative management and staff;
- product range offering wide customer choice; and
- strong position in the fast growing Asia-Pacific marketplace.

5. Competition

The Directors believe that the scale of the gaming opportunity in the Asia-Pacific region is substantial. It is the Board's expectation that these opportunities will be captured in future mainly through online suppliers. It is CPDC management's opinion that most legitimate gaming companies across the region are seeking to establish a foothold in the online gaming market; however, many of those companies do not have the size of infrastructure to offer the product range or supporting systems that the Directors believe are necessary to do this successfully. Accordingly, the Directors believe that many of these companies will desire established products and services such as those provided by Kenmore. Other entities could become a distributor and reseller of gaming systems, however, the Directors believe they would require strong relationships with agents, distributors and online gaming platform operators which are hard to establish and maintain.

In the illegitimate market, there are many existing gaming companies which are already offering services into restricted regions from offshore locations. As these sites are illegal it is difficult to establish the size of their operations at any given time. The Directors believe that the recent Notice on "Issues Related to Self-Inspection and Self-Remedy of Unauthorised Online Lottery Sales" and certain other regulatory developments within the region are the early steps in the process towards better regulation and the elimination of a large number of unauthorised operators undermining the integrity of the market.

Furthermore, it is fully possible that many of the larger systems providers could build sales teams within the region and sell products, however, it is the Board's opinion that the requirement for established relationships to be able to execute business could ultimately restrict their efforts.

6. Current trading and prospects of CPDC

Since it began generating income in 2013, CPDC has experienced rapid growth in revenues and profits. From revenue of \$1.3 million, with a loss before tax of \$0.1 million in the year ending 31 December 2013, revenues grew to \$9.4 million in 2014 with profit before tax of over \$2.3 million.

From January to April 2015, revenue grew by 29 per cent. The management of CPDC expect further steady growth from the existing business and that additional agents and software developers will be added to the CPDC portfolio. As set out in further detail in paragraph 9 of this Part I it is expected that CPDC will have cash at bank of \$69,100. The CPDC Acquisition Agreement also provides that (irrespective of any other provisions of the agreement) conditional on Admission all profits of CPDC generated on or after 16 June 2015 shall accrue to PCGE from 16 June 2015 and shall be owed to PCGE and shall be payable forthwith by the Vendors.

CPDC continues its discussions with further potential agents and any additional client wins will be announced to the market as and when they occur.

Further details of CPDC's historic financials are set out in Part IV of this document.

7. Reasons for the Proposals

At the time of the Company's Original Admission, PCGE's objective was to grow through the exploitation of its licenses in the PRC, which are owned by Sihai Geiju. This continues to be the case, however the Board also anticipates that gaming in the region is poised for significant change which will open up further opportunities for the Group which they wish to exploit. Specifically, the Directors believe that the rapid growth of internet access, via PCs and mobile, will provide the Enlarged Group potential access to a larger user base.

Having identified online opportunities in agency sports lottery sales, the Group also seeks to participate in the well documented national interest in poker tournaments. Planning includes the opening of online routes to game qualification, as well as the introduction of virtual currencies, while recognising the opportunity presented by gradual deregulation.

To be able to exploit these opportunities, the Group must address the associated costs, including marketing and anticipated new licensing/permit fees. Recognising this fact, along with its mandate to identify growth opportunities across the Asia-Pacific region within the gaming world, the Board has identified CPDC as an appealing acquisition opportunity. The Board considers it would help it

accelerate the development of the Group's gaming arm and enhance the Company's ability to exploit the Licences.

The Board expects that the Acquisition will be transformational for the Group. CPDC made profit before tax of over \$2.3 million in 2014 and the Board is hopeful that CPDC will continue to be profitable, thus allowing the Board to focus on growing the Group's businesses, both organically and, if appropriate, through acquisition, and utilising any anticipated cash flows to expand and develop within their target markets. Furthermore, the Acquisition increases the number of territories in which the Group has a presence and, the Directors believe, enhances the Company's credibility within those markets by the addition of gaming expertise in the form of the CPDC management and employees.

8. Strategy of the Enlarged Group

The Group's strategy is to create a business with significant scale operating in online gaming and associated media across the Asia-Pacific region. Through a combination of organic development and proposed acquisitions, the Company has sought, and intends to continue to seek, to implement this strategy to maximise opportunities as the Directors believe that the online gaming industry in these markets continues to undergo significant change and becomes increasingly sophisticated, in particular the convergence of online and land-based channels and between social gaming and mainstream online gaming. With the combination of CPDC's existing presence in the region, PCGE's Licences and the Board's network of contacts, knowledge and skills, the Directors believe that the Group has positioned itself to take advantage of the opportunities that these developments present.

In addition, the Board intends to utilise certain of CPDC's resources to recruit further agents and developers in additional countries. The Enlarged Group's goal is that CPDC will become the 'go-to' distributor to the gaming industry across the region with third party agents and operators attracted by the breadth and quality of its services, products, market knowledge and skill. The Board hopes that CPDC will become a leading supplier of gaming solutions, particularly to new entrants targeting the market, to whom it can offer Kenmore's affiliate marketing services and customer relationship management solutions, which will allow operators to leverage their gaming content across a number of channels.

Furthermore, the Board intends to utilise CPDC's anticipated cashflow to support management's efforts to exploit the Licences in the PRC, further details of which are set out in Part II of this document.

9. Principal terms of the acquisition

As announced on 13 February 2015, the Company entered into the Option Agreement with Kolarmy and CPDC to acquire the entire issued and to be issued share capital of CPDC at a price of up to \$20 million before 13 August 2015, either in cash and/or through the issue of new Ordinary Shares.

Under the terms of the CPDC Acquisition Agreement, the Company has now conditionally agreed to acquire the entire issued share capital of CPDC from the CPDC Shareholders, for a consideration of up to \$20 million. The Initial Consideration of \$9.59 million, being \$10 million less the \$410,000 Option Price, will be satisfied by the issue of the Initial Consideration Shares. Any further consideration (of up to \$10 million) will be satisfied, if payable, by the issue of the Further Consideration Shares.

The CPDC Acquisition Agreement provides that the Further Consideration may become payable (in new Ordinary Shares) on the following basis: \$10 million will be payable if CPDC achieves a cumulative net profit of \$29.136 million over the two year period from 1 June 2015 to 31 May 2017; if CPDC achieves cumulative profit of 90 per cent. of this figure, then they will receive \$9 million, and this 10 per cent. threshold ratchet will extend down to CPDC achieving 50 per cent. of the target figure, being cumulative net profit of \$14.568 million. If CPDC achieves cumulative net profit of less than \$14.568 million, then no Further Consideration will be payable.

At 30 April 2015 the net assets of CPDC were US\$2,274,221.

The CPDC Acquisition Agreement provides that CPDC's debtor, creditor and cash balances at that date will remain with the Vendors post-completion save for US\$69,100 cash and creditors of US\$19,100. The CPDC Acquisition Agreement also provides that (irrespective of any other provisions of the

agreement) conditional on Admission all profits of CPDC generated on or after 16 June 2015 shall accrue to PCGE from 16 June 2015 and shall be owed to PCGE and shall be payable forthwith by the Vendors.

Further details of the CPDC Acquisition Agreement are set out in paragraph 9.15 of Part V of this document.

The CPDC Acquisition Agreement is conditional, *inter alia*, on the passing of the Resolution and Admission.

The shares of CPDC will be acquired and held by the Group via PCGSS, a new subsidiary of PCGE which has been formed for the purposes of the acquisition of CPDC.

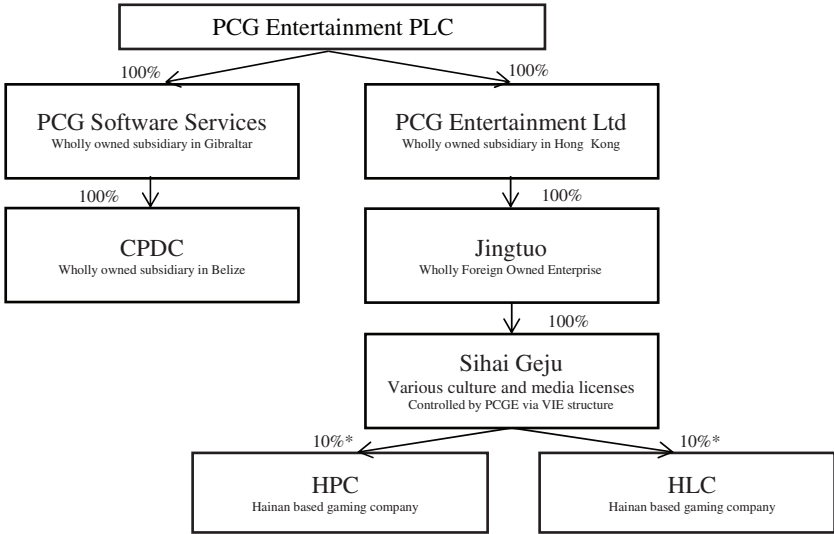
10. Details of further issues of Ordinary Shares

Pursuant to the terms of the Kolarmy Loan Note, Kolarmy has opted to convert \$300,000 in principal amount of the notes constituted therein into 3,145,643 Ordinary Shares, at the Original Admission price of £0.06 per Ordinary Share. Henceforth, the outstanding balance of the Kolarmy Loan Note will be \$700,000. Further details of the Kolarmy Loan Note are set out in paragraph 9.11 of Part V.

The Company is also issuing 333,333 Damson Shares to its public relations firm damson pr, in lieu of cash for fees relating to work carried out for the Company by damson pr.

11. Group Structure

PCGE has been incorporated as a public limited company in Gibraltar. The proposed structure of the Enlarged Group following Admission will be as follows:



* Subject to completion of the options. Notice to exercise the options was given on 4 December 2014.

PRC laws and regulations currently restrict foreign ownership in companies within certain industries in China, including value-added telecommunications services and Internet information service industry. In order to comply with PRC laws and regulations, PCGE has established a structure to enable it to operate in the gaming and entertainment sector in China. PCGE has a wholly owned subsidiary in Hong Kong, PCGEL, which it acquired on 20 December 2013 pursuant to the PCGEL Share Sale Agreement (details of which are set out in paragraph 9.17 of Part V of this document). PCGEL owns 100 per cent. of Jingtuo, a WFOE which was incorporated on 25 February 2013. Jingtuo was acquired by PCGEL shortly after its incorporation. Jingtuo, through a VIE structure, controls Sihai Geju, which holds the Licences and, in addition, holds options to acquire 10 per cent. of the equity share capital of each of HPC and HLC. Notice to exercise these options was given on 4 December 2014.

Further details of the VIE Arrangements are set out below. A VIE involves an investor having a controlling interest in a company that is not based on holding the majority of voting rights in that company. As such, the Company does not enjoy direct equity ownership of Sihai Geju (which is privately owned by two individuals in the proportion of 60 per cent. and 40 per cent.). Instead, on

30 August 2011, Jingtuo entered into a number of contractual arrangements with Sihai Geju and the PRC Shareholders which enable the Group to:

- exercise effective managerial, operational and financial control over Sihai Geju;
- receive substantially all of the economic benefits through contracted service fees; and
- have an exclusive option to purchase all of the equity interests in Sihai Geju to the extent PRC laws and local policies may permit in the future.

In accordance with the relevant PRC regulations, Sihai Geju is required to transfer 10 per cent. of its profit after income tax to the statutory surplus reserve until the reserve balance reaches 50 per cent. of the registered capital. The transfer to this reserve must be made before the distribution of dividends to equity owners. Statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into paid-in capital in proportion to the existing interests of equity owners, provided that the balance after such conversion is not less than 25 per cent. of the registered capital.

The VIE Arrangements enable the Group to effectively control Sihai Geju. Please refer to paragraph 9.38 of Part V of this document for further details of the VIE Arrangements, which include two loan agreements, a business operation agreement, a power of attorney, an exclusive technology supporting and consultant services agreement, a share pledge agreement, and an exclusive call option agreement.

The MOFCOM in the PRC is currently consulting on VIE structures. Further details of which are set out in Part III of this document.

12. Related party transaction

CPDC's majority owner is Kolarmy. As Kolarmy is a company controlled and owned by Heng Jui Lin, brother of Kung Min Lin, Non-Executive Chairman of the Company and pre-Admission a 14.2 per cent. owner of the Company, the transaction is classified as a related party transaction under the AIM Rules for Companies. Having consulted with the Company's nominated adviser, Sanlam Securities, the Independent Directors consider that the Acquisition is fair and reasonable insofar as Shareholders are concerned.

In addition, in conjunction with the Acquisition it is proposed that Heng Jui Lin will become a consultant to the Group.

13. Lock-in and orderly market arrangements

In accordance with the AIM Rules for Companies, the Directors have undertaken to Sanlam Securities, Beaufort Securities and the Company:

- that neither the Directors nor the Applicable Employees nor their respective connected persons will dispose of any interest in their Ordinary Shares (including any Ordinary Shares which they may subsequently acquire within one year of Admission) or any options to subscribe for Ordinary Shares for a minimum period of 12 months following Admission except in the very limited circumstances allowed by the AIM Rules for Companies; and
- that they will not (and they will use their reasonable endeavours to procure that connected persons will not) dispose of any interest in Ordinary Shares other than through Beaufort Securities, provided that Beaufort Securities offer competitive terms in the event of any disposal, and in accordance with the reasonable requirements of Beaufort Securities so as to ensure an orderly market for the issued share capital of the Company for a period of 12 months following the first anniversary of Admission.

These lock-in provisions will not apply in the event of an intervening court order; the death of the investor; or in respect of an acceptance of a takeover offer for the Company which is open to all shareholders of the Company.

Under the Framework Agreement, each party (other than the Company) entered into lock-in and orderly market arrangements in respect of the Ordinary Shares that will be issued to them on the exercise of the

option rights conferred under the Framework Agreement, further details of which are set out in paragraph 9.20 of Part V of this document.

Pursuant to the CPDC Acquisition Agreement Kolarmy will also give lock-in and orderly market undertakings in respect of the Initial Consideration Shares and Further Consideration Shares (if any) that are issued to Kolarmy. The other Vendors will give orderly market undertakings to Sanlam Securities, Beaufort Securities and the Company on terms similar to those described above, in respect of the Initial Consideration Shares and any Further Consideration Shares that may be issued to them in the 12 months following Admission.

Further details of the lock-in and orderly market arrangements are set out in paragraph 11 of Part V of this document.

14. Corporate governance

The Company is compliant with the corporate governance regime of Gibraltar. The Directors have established financial controls and reporting procedures which are considered appropriate given the size and structure of the Company. These controls will be reviewed in the light of any acquisitions or significant growth of the Company's business and adjusted accordingly.

The Directors are committed to maintaining high standards of corporate governance, and propose, so far as is practicable given the Company's size and nature, to comply with the QCA Code. However, at present, due to the size of the Company, the Directors acknowledge that adherence to certain other provisions of the QCA Code may be delayed until such time as the Directors and their advisers are able to adopt them fully.

Alan Gravett and Michael Mainelli are considered by the Board to be independent Non-Executive Directors, notwithstanding that under their respective letters of appointment each may be paid in Ordinary Shares as an alternative to cash, at the election of the Company, and they each have common directorships with other members of the Board. This matter of independence will be re-visited by the Board on a periodic basis.

The Company will hold regular quarterly board meetings, with additional board meetings as further issues arise which require the attention of the Board. The Board is responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the Directors' responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the Shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Company at all times. The Board also addresses issues relating to internal control and the Company's approach to risk management and has formally adopted an anti-corruption and bribery policy.

The Directors have established a Remuneration Committee, an Audit Committee and an AIM Rules Compliance Committee with formally delegated duties and responsibilities. Due to the size of the Company, questions of risk management will be assessed by the entire Board.

Audit Committee

The Audit Committee, which currently comprises Richard Poulden and Michael Mainelli, with Michael Mainelli as chairman, has the primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls. The committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring the financial performance of the Company is properly monitored and reported. The audit committee will meet not less than three times a year.

Remuneration Committee

The Remuneration Committee, which currently comprises Alan Gravett and Richard Poulden, with Alan Gravett as chairman, is responsible for the review and recommendation of the scale and structure

of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Company.

AIM Rules Compliance Committee

The AIM Rules Compliance Committee, which currently comprises Richard Poulten and Alan Gravett, with Richard Poulten as chairman, is responsible for monitoring and reporting on the Company's compliance with the AIM Rules for Companies. The AIM Rules Compliance Committee will also consult with the Company's nominated adviser from time to time in relation to such compliance.

The Company does not have a nomination committee, and will not have one on Admission, as the Board does not consider it appropriate to establish such a committee at this stage of the Company's development.

15. Dividend policy

The Directors recognise the importance of dividends to investors and, as the Group's business matures, will keep under review the desirability of paying dividends. Future income generated by the Group is likely to be re-invested to implement its growth strategy. In view of this, it is unlikely that the Board will recommend a dividend in the early years following Admission. However, the Board intends that the Company will recommend or declare dividends at some future date once they consider it commercially prudent for the Company to do so, bearing in mind the financial position and resources required for the Group's development.

Although the Board intends to pay dividends to Shareholders in the future in line with its dividend policy as detailed above, there can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends at any point in the future.

16. Taxation

Your attention is drawn to the information regarding taxation which is set out in paragraph 19 of Part V of this document. That information is intended only as a general guide to the current tax position under UK and Gibraltar taxation law. If you are in any doubt as to your tax position, you should contact your independent professional adviser.

17. Share dealing code

The Company has adopted a share dealing code of Directors' dealings appropriate for a company whose shares are admitted to trading on AIM which conforms to the requirements of the AIM Rules for Companies (the "Share Dealing Code"). The Company will be responsible for taking all proper and reasonable steps to ensure compliance by the Directors and any relevant individuals with the Share Dealing Code.

18. Share option scheme

The Directors believe that the recruitment, motivation and retention of key employees is vital for the successful growth of the Company. The Directors consider that an important element in achieving these objectives is the ability to incentivise and reward staff (including Executive Directors) through the grant of options. As a result, the Company has established the Share Option Scheme, further details of which are set out at paragraph 9.24 of Part V of this document. Options may also be granted under the scheme to consultants and professional advisers to the Group.

The total number of Ordinary Shares that may be committed under the Scheme will represent a maximum of 15 per cent. of the Company's issued ordinary share capital from time to time. On Admission, no options will be in issue under the Share Option Scheme.

19. CREST and Depositary Interests

Shares of non-UK companies, such as the Company, which is incorporated in Gibraltar, cannot be held and transferred directly in the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use share

certificates or written instruments of transfer. Shareholders who wish to hold and transfer Ordinary Shares in uncertificated form may do so pursuant to a Depositary Interest arrangement established by the Company.

Depositary Interests facilitate the trading and settlement of shares in non-UK companies into CREST. The Ordinary Shares will not themselves be admitted to CREST. Instead the Depositary will issue Depositary Interests in respect of the underlying Ordinary Shares. The Depositary Interests are independent securities constituted under English law that may be held and transferred through CREST. The Depositary Interests are created and issued pursuant to a Deed Poll executed by the issuer under English law, copies of which are available from the Depositary, and the provisions of the Deed Poll are expressed to bind all holders, future and present.

Depositary Interests have the same international security identification number (ISIN) and TIDM Code as the underlying Ordinary Shares. The Depositary Interests are created and issued pursuant to a Deed Poll with the Depositary, which governs the relationship between the Depositary and the holders of the Depositary Interests.

Ordinary Shares represented by Depositary Interests are held on bare trust for the holders of the Depositary Interests. Each Depositary Interest is treated as one Ordinary Share for the purposes of determining eligibility for dividends, issues of bonus stock and voting entitlements. In respect of any cash dividends, the Company will put the Depositary in funds for the payment and the Depositary will transfer the money to the holders of the Depositary Interests. In respect of any bonus stock, the Company will allot any bonus stock to the Depositary who will issue such bonus stock to the holder of the Depositary Interest (or as such holder may have directed) in registered form.

In respect of voting, the Depositary will cast votes in respect of the Ordinary Shares as directed by the holders of the Depositary Interests which the relevant Ordinary Shares represent.

Further details of the depositary arrangements are set out in paragraph 21 of Part V. Further information regarding the depositary arrangements and the holding of Ordinary Shares in the form of DIs is available from the Depositary Interest Registrars. The Depositary Interest Registrars may be contacted at Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able so to do. All the Ordinary Shares will be in registered form and no temporary documents of title will be issued

20. City Code

The provisions of the City Code do not apply to the Company. It is emphasised that, although the Ordinary Shares will trade on AIM, the Company will not be subject to takeover regulation in the UK. Shareholders may not therefore be afforded the protections of the City Code as they might have if they were shareholders in a company where a takeover is regulated by the Takeover Panel. As a Gibraltar company the Company will be subject to the Companies (Cross-Border Mergers) Regulations 2010. Further information on the rules surrounding takeovers of public Gibraltar companies is set out in paragraph 20 of Part V of this document.

21. Disclosure Rules and Transparency Rules

As the Company is incorporated in Gibraltar, Shareholders are not obliged to disclose their interests in the Company in the same way as shareholders of certain companies incorporated under English law and regulation, specifically the Disclosure Rules and Transparency Rules. In particular, the relevant provisions of chapter 5 of the Disclosure Rules and Transparency Rules do not apply. However, the Articles contain provisions requiring the disclosure of voting rights in Ordinary Shares in accordance with the provisions of the Disclosure Rules and Transparency Rules. Article 70 of the Articles requires that the Shareholders comply with Rule 17 of the AIM Rules for Companies, but this may not always ensure compliance with the requirements of Rule 17 of the AIM Rules for Companies. Furthermore, the Articles may be amended by a resolution of the Shareholders.

22. Pre-emption rights

There are no pre-emption rights under the Gibraltar Act or incorporated into the Articles, as further described in paragraph 8 of Part V of this document.

23. Risk factors and further information

Your attention is drawn to the risk factors set out in Part III of this document. Shareholders and potential investors should carefully consider the risks described in Part III before making a decision to invest in the Company. Your attention is also drawn to Parts IV and V of this document which contain further information on the Group.

24. General Meeting

The Proposals are conditional upon, *inter alia*, the passing of the Resolution. A notice convening the GM to be held at the offices of the Company at G1 Haven Court, 5 Library Ramp, Gibraltar at 10.00 a.m. on 26 August 2015 is set out at the end of this document. At the GM, the Resolution to approve the Acquisition will be proposed.

25. Irrevocable undertakings to approve the Proposals

Certain Directors and other Shareholders have irrevocably undertaken to the Company to vote in favour of the Resolution to be proposed at the General Meeting, in respect of holdings totalling 535,658,168 Existing Ordinary Shares, representing 50.4 per cent. of the Existing Ordinary Shares.

26. Action to be taken by Shareholders

The attached notice of the GM to be held at 10.00 a.m. on 26 August 2015 at the registered offices of the Company at G1 Haven Court, 5 Library Ramp, Gibraltar, sets out the Resolution.

A form of proxy for use at the GM is enclosed. Whether or not you propose to attend the GM, you are requested to complete the form in accordance with the instructions printed on it and return it to Capita by post to PXS 1, 34 Beckenham Road, Kent BR3 4TU, as soon as possible, but in any event, to arrive not later than 10.00 a.m. on 24 August 2015.

The return of the form of proxy will not prevent you from attending the GM and voting in person if you so wish.

27. Recommendation

The Independent Directors consider that the terms of the Acquisition are fair and reasonable insofar as Shareholders are concerned. Accordingly, the Independent Directors unanimously recommend Shareholders to vote in favour of the Resolution as they intend to do in respect of their aggregate beneficial holdings.

Richard O'Dell Poulden

Non-Executive Deputy Chairman

PART II

INFORMATION ON THE PCGE GROUP

1. Introduction

PCGE is a Gibraltar incorporated holding company which, through the PCGE Group, holds four licences relating to the operation of online games based in the PRC. The Group is seeking PRC governmental and local authority approval to utilise the Licences in partnership with HPC and HLC to hold online poker games and tournaments and create national lottery products including lottery games. The Group also intends to exploit the Licences to expand the Group's business into premium rate telephony, virtual currencies and the distribution of games and other media through the internet and other channels. These channels may include broadcast, print and mobile and other areas where the Directors believe that there are opportunities to grow Shareholder value.

The Directors have between them many years of business experience in the areas of acquisitions, accounting and corporate and financial management as well as experience of media, gaming and marketing gained in Europe, the Middle East and the Asia Pacific region. Accordingly, the Board believes that it is well placed to leverage the Licences and this experience to achieve its goal of becoming one of the top online gaming companies in the PRC.

Through the VIE Arrangement with Jingtuo (a wholly owned subsidiary of PCGEL which itself is wholly owned by PCGE), the Group currently has effective control over Sihai Geju which holds the Licences relating to the internet operation of online games and has given notice to exercise options to acquire 10 per cent. of each of HLC and HPC. HPC operates poker tournaments in Hainan Province in China and HLC is licensed by the Hainan Sports Lottery Management Centre to be a sales agent for sports lottery products. The sale of all lottery products in China is currently under review and the Board believes that this will lead to a clearer and simpler regulatory regime in future. In addition, the Group will seek to roll out its business strategy in partnership with HPC and HLC pursuant to the Cooperation Agreements.

2. The Licences, the Cooperation Agreements, and the Framework Agreement

Licences

Through Sihai Geju, PCGE holds the following licences:

1. VAT Business Permit (ISP)

This permit is required in order to enable the Company to conduct value-added telecommunications business such as games and information services via the public mobile telecommunications networks (e.g. China Mobile, China Unicom and China Telecom). Between them these networks have 1.25 billion subscribers.

2. Permit for Business Operation of Telecommunication and Information Services (ICP)

This is required in order for the Company to engage in certain information service activities on the internet including the publishing of websites.

3. Network Cultural Business Permit

This enables the Company to operate certain prescribed 'cultural' activities for profit on the internet, subject to additional approval from or filing with the PRC authorities in respect of the specific online games that are intended to be operated. In the PRC 'cultural' activities include games such as poker, as well as other entertainment activities. It is also required in order to issue and manage 'virtual currencies', a fundamental mechanism for monetising on-line activities.

4. Short Message Service Access Code Certificate

This enables the Company to obtain premium-rate SMS codes from the mobile network operators in order to monetise games and other activities on the internet and via the telecommunications networks.

Details of these licences including their period of validity are set out in paragraph 12 of Part V of this document. In order to maintain and/or renew such licences certain requirements will need to be satisfied and/or maintained. There can be no guarantee that the Licences will be maintained and/or renewed. Furthermore, the Licences are not currently sufficient for the Group to operate online poker games and online lottery games, as these require specific approval from the PRC authorities. There can be no guarantee that the specific online games the Group intends to operate will receive such approval. Please also refer to Part III of this document dealing with certain risk factors associated with the Group's business and operations.

HLC

HLC was incorporated on 20 July 2011 and was authorised to have one store located in Haikou, the capital of Hainan, through which it was authorised to sell sports lottery in accordance with the sports lottery sales agent agreements entered into on 1 January 2014 with HSLMC and in which the public can play 'virtual' sports games. HLC decided to allow its remaining sports lottery sales agent agreement relating to its Kaisheng store in Haikou to expire, closing this physical presence preferring instead an online only offering. The Board expects that the Group's first virtual sports lottery game will be active by the end of 2015, subject to the current governmental suspension and consultation having ended by that time.

HPC

HPC was incorporated on 23 May 2012 and is the sponsor of the 'China Hainan Texas Hold'em Poker Games' tournament which is hosted by the Department of Culture Radio Television Publication and Sports of Hainan Province. HPC owns the China Poker Games (CPG) brand and CPG's 2014 Second Qingpingle China Poker Championship was the largest international poker championship in China. The Directors believe that HPC is one of only a limited number of companies in China licensed to hold "real world" poker tournaments (another poker tournament is run by WPT which is an international brand). The first of these tournaments took place in Sanya, Hainan Province in September 2013 and the second took place during August 2014. The Directors understand that the third tournament is planned for August 2015. The Directors understand that the 2014 poker tournament attracted more than 1,000 participants. The Directors believe that the Chinese authorities will support HPC's endeavours as they are inside the Great Firewall, legal, subject to regulatory control and taxable.

Cooperation Agreements

Pursuant to the Cooperation Agreements, Sihai Geju and each of HLC and HPC have agreed a strategy for collaborating in order to maximise the growth potential of each business. Further details of the Company's intentions to exploit the Cooperation Agreements are set out in paragraphs 3 and 4 of this Part II.

Framework Agreement

Immediately prior to the Group's initial admission to trading on AIM in December 2014, Sihai Geju gave notice to exercise the options granted pursuant to the Framework Agreement to acquire 10 per cent. of the equity of each of HPC and HLC for US\$3,000,000 paid in Ordinary Shares. As at the date of this document, the exercise of these options has not yet been completed.

Further information about the Framework Agreement in general, the HLC Cooperation Agreement and the HPC Cooperation Agreement, are set out in paragraphs 9.20, 9.21 and 9.22 respectively of Part V of this document.

3. Strategy in relation to the Licences

Licences

The Directors believe that there is considerable opportunity to leverage on the brands and businesses created by HPC and HLC such that a mutually beneficial working relationship could be created, allowing PCGE to operate the online distribution elements of the HPC and HLC businesses (subject to the relevant approvals being obtained from the PRC authorities). Accordingly, the Group entered into the Cooperation Agreements whereby, subject to completion of the exercise of the options pursuant to the Framework Agreement, it will work with the management of HPC and HLC to add value to their businesses through marketing, product enhancement and diversification into the online market. This can be achieved by utilising the Licences and obtaining relevant approvals from the PRC authorities.

The Cooperation Agreements set out the intention for PCGE and HPC/HLC to collaborate in a number of areas:

- Increasing the number of real world poker tournaments.
- Developing the China Poker Games brand internationally.
- Obtaining Chinese and international sponsors for the online and real world tournaments.
- Marketing the online and real world games nationally and internationally.
- Developing HLC's sports lottery resale business by:
 - investigating more sophisticated and attractive virtual sports games;
 - marketing the services of HLC more effectively; and
 - moving sports lottery sales online/on mobile.
- Developing other online gaming initiatives; and
- Developing additional real world events introduced to the PRC by Sihai Geju.

With reference to the above, the Directors believe that PCGE's contribution is, and will continue to be, as follows:

- Its standing as a quoted entity on AIM along with the business contacts and experience of the team, particularly the PRC and ROC-based team, should help HPC and HLC to expand their operations into other provinces.
- PCGE's international marketing experience, PR skills and contact with media outlets will help to build the CPG brand nationally and internationally.
- Subject to obtaining any further licences required, the Licences within Sihai Geju should enable PCGE to operate on-line poker tournaments.
- PCGE's international reach and marketing expertise should enable it to attract sponsorship and other commercial collaboration in the on and offline poker tournaments.
- The CPG tournaments currently attract mostly Chinese nationals. The online qualification mechanism and the Group's international marketing experience should enable the Group to extend CPG's reach and attract increasing numbers of players from outside the PRC.
- PCGE has considerable experience of international lottery products and spin-offs, as well as hybrid lottery/promotional products and marketing techniques. The Directors believe that these, along with the Licences in Sihai Geju which may enable online lottery sales, can add considerable value to HLC, subject to the resolution of the current temporary suspension of lottery sales in the PRC.
- The Board expects the PCGE portal, with its online-TV promotions, poker tournaments and, potentially, online lottery sales, to attract significant footfall and the Directors intend to develop other games initiatives to capitalise on this traffic.

- The management of HPC/HLC have a background in sports events and their management of Asia's second largest poker tournament is testimony to their expertise in event management. Starting with the Company's online-TV project the Board intends to develop the events side of the business.

The Directors intend that a key revenue stream of the PCGE Group going forward will be based on the Group's existing relationship with HPC, whereby the Group will run preliminary rounds of Texas Hold'em and other poker games online, the winners of which would be entered into HPC's annual poker tournaments in Hainan.

The revenue generated from the online poker games will be split 10:90 (i.e. 10 per cent. allocated to Sihai Geju and 90 per cent. allocated to HPC). The Directors intend that the games will be conducted with players paying a fixed fee to enter a match and being assigned a limited number of virtual credits with which to play. Players cannot purchase additional credits in order to raise the stakes, as they can in UK and other international markets. The winner of a game is then assigned a prize in a virtual currency, details of which are set out below.

The Directors also believe that the Group can use its existing good relationship with HLC to launch a series of sports lottery games, which would operate in a similar manner to existing sports lotteries.

In addition, the Directors intend to exploit the Group's Licences in media distribution, premium SMS and virtual currency to create access to online or internet operation of games and entertainment. It is the Directors' intention to use the Group's online media distribution licences to enable international media channels to become more conspicuous and available in the PRC.

The Company has identified a number of opportunities to exploit the Licences further in the PRC. These involve the distribution of games and other media as well as premium SMS activity, cross-channel promotions and the issuing of virtual currencies. Initiatives include:

1. **Broadcast events** – The Company is in negotiations to bring a major broadcast event to the PRC with participants entering through a series of online 'heats'. This is an event-based show with strong online elements to be broadcast nationally by a top-four broadcaster as well as being widely distributed and promoted on multiple additional channels.

The Board intends to increase the commercial value of these properties through events associated spin-off activities, merchandising and licensing.

2. **Stock market games** – These involve players "buying in" to a virtual mirror image of the stock exchange to try and increase the value of their virtual investments. Players are charged for each virtual transaction they carry out, via either premium SMS or internet based messages. The Group would seek to obtain a sponsor (a regional bank / investment firm), with whom they could collaborate to award prizes to the best players including job opportunities with the sponsor. These have been tried in other territories and with their low barriers to entry (low cost, access through internet, mobile and SMS) the Directors believe they may get significant traction, and may generate significant revenues in the PRC.
3. **Chat channels** – These have been successful in Europe, the USA and the Middle East and the Directors believe they may play well in the PRC. The Group intends to roll out channels based on sport, music, culture and fashion, to which customers would send texts discussing and debating various topics. There would also exist the possibility to gain revenue streams from advertising.
4. **Virtual currencies** – Sihai Geju's Network Cultural Business Permit authorises Sihai Geju to issue and manage virtual currencies for use on the internet. These currencies can then be used for entering competitions and can be spent or earned through the purchase or sale of virtual goods in online social games.

The Directors intend that the PCGE website becomes a portal enabling access to:

- the online entry for the major broadcast event described above. The Directors intend to seek extensive promotion on national television;

- enter the online qualifying rounds for the real world poker tournaments operated by HPC (subject to obtaining relevant approvals from the PRC authorities);
- enter the stock market game, which again the Directors expect to be widely promoted on national television; and
- online sports lottery sales operated by HLC (subject to obtaining relevant approvals from the PRC authorities).

Cumulatively the Directors expect these activities to drive considerable footfall to the website and it is the Directors' intention to capitalise on this traffic by introducing further revenue-generating online games and advertising.

Development of the Licences

The Company proposes to utilise the Licences to create and market online games, including online poker tournaments. The Company also intends to create an online sport lottery sales portal. Following creation of the online platform and specific games, the Company will be required to obtain authorisation from the China Sports Lottery Administration Centre (for the sports lottery) and Ministry of Information Industry and the Ministry of Culture (for the poker tournaments).

4. The Market

General

Economic growth across China, although slowed, still achieved 7.4 per cent. in 2014. The reduction during 2014 was attributed to a cooling of property prices and the impact of debt on companies and local governments. Individual disposable spend has seen a steady increase across the region, increasing from approximately \$650 billion in 2000 to almost \$1.4 trillion in 2010. In addition, China's household income is expected to be in excess of \$5 trillion a year for 2015. Furthermore, discretionary spend in China is forecast to exceed 7 per cent. between 2010 and 2020 and growth of 6 to 7 per cent. annually is expected in a second category of "semi-necessities". This growth, in combination with increasing access to the internet, underpins the Board's belief that online gaming across the region will grow substantially.

With the exception of sports and welfare lotteries, which are sanctioned by the Central People's Government (the State Council), all gambling or games of chance are illegal in the PRC unless specifically approved by the State Council.

Poker tournaments approved by governing authorities in China are not considered to be gambling. However, online poker games and tournaments are particularly sensitive, and as such, the Directors intend to seek a preliminary view from the relevant PRC local authority to determine whether the specific online games it is seeking to operate are likely to be approved. Please refer to Part III of this document for certain risk factors relating to the sensitive nature of online games.

The Chinese poker tournament market

Regulatory Framework

According to the Sports Law promulgated by Standing Committee of the National People's Congress as of 29 August 1995 and amended as of 27 August 2009, the comprehensive national events shall be administered by the administrative department for sports culture and sports under the State Council or in conjunction with other relevant organisations. National events of an individual sport competition shall be administered by the national association of the said sport. Implementation measures for the administration of local sports comprehensive events and local individual sport competitions shall be formulated by the local people's governments. Among others, it is strictly prohibited for any organisation or individual to engage in gambling activities through sports competitions.

According to the Circular Qiong Fu Ban [2000] 46 issued by the Government of Hainan Province on 9 May 2000, the division in charge of competition and sports culture has the authority over

establishment of individual sport competition as well as organisation and administration of comprehensive provincial events.

Online poker games

Online games in the PRC are governed by various PRC laws and regulations relating to the telecommunications industry, online games, and supervised by various government authorities, including the Ministry of Information Industry and the Ministry of Culture.

Online game business operators are required by PRC laws and regulations to hold a variety of permits and licenses, including but not limited to the VAT Business Permit (ISP), Permit for Business Operation of Telecommunication and Information Services (ICP License) and Network Culture Business Permit. As set out in paragraph 2 above, these three licences form part of the Licences currently held by the Group.

The Market

The Directors believe that there are between 700 and 1,000 poker clubs in the PRC, each with between 500 and 2,000 members. Macau generated US\$45.27 billion in revenues in 2013 from gaming and gambling according to research by Statistica. Further, the China Centre for Lottery Studies at Peking University estimates that Chinese resident gamblers spend around US\$97 billion each year via offshore online gambling websites. PWC has predicted that Asia will overtake the US as the largest gaming market in 2015.

Many international brands offer online poker in China (Ladbrokes, 888.com, Betfair etc.) and many of them have Mandarin websites and accept RMB, but these sites are often blocked by the PRC government. In order to access them you need to ‘jump the wall’ using a VPN. The Directors believe that the appeal of a legal, state approved on-shore poker site which will be linked to HPC and its “real world” poker tournaments is therefore considerable.

The product

To enter a typical tournament, a player pays a fixed buy-in at the start of play and is given a certain quantity of tournament poker chips. The winner is usually the person who wins every poker chip in the final game. Players lose their chips and are eliminated. The conclusion of the tournament takes place around the ‘final table’ when all but one are eliminated.

Events

The first poker tournament to take place in mainland China was the World Poker Tour event in December 2012 in Sanya, Hainan Province. China Poker Games, the brand of HPC, staged their first poker tournament in September of the following year, again in Sanya. Their second tournament took place between 22 August – 31 August 2014 in Sanya. The 2015 tournament is scheduled to take place in August 2015. Under the terms of the HPC Cooperation Agreement, which is subject to the option to acquire equity in HPC being exercised pursuant to the Framework Agreement, the Company intends to host preliminary qualifying rounds of future tournaments online (subject to obtaining the necessary regulatory approvals), the winners of which will be able to compete in the finals in Sanya.

The Chinese lottery market

Regulatory Framework

The State Council promulgated the Lottery Administration Regulations in 2009 according to which lotteries are supervised and managed by the financial department. Lottery licences are issued by two government bodies: The China Welfare Lottery Issuance and Administration Centre, which reports to the Ministry of Civil Affairs, issues Welfare Lottery to provide social welfare to the Chinese public and the China Sports Lottery Administration Centre, founded in 1994 and which reports to the General Administration of Sports of China, which issues sports lottery products to raise funds for sports developments.

Lottery sales entities are established by the department of civil affairs and department of physical culture under the provincial governments. Agents of lottery products should enter into agent sale contracts with lottery issuance or lottery sales entities and obtain the agent sale permits. Online sale of lottery products is closely restricted by the Ministry of Finance and is subject to special legal requirements including:

- Having a minimum registered capital of RMB50 million;
- Entering into a sales agency agreement with local sports lottery authority; and
- Obtaining the sales agency permit in addition to the ICP license.

On 15 January 2015, the Notice on Issues Relating to Carrying Out the Self-examination and Correction for Arbitrary Online Lottery Sale Behaviours (the “Notice”) was issued collectively by the Ministry of Finance of the PRC, Ministry of Civil Affairs of the PRC and General Administration of Sports of the PRC to renovate the unauthorised online lottery sale behaviours. Subsequently, the Ministry of Civil Affairs of the PRC and General Administration of Sports of the PRC respectively issued relevant notices in relation to the implementation of the Notice. During the period of the self-examination and correction made pursuant to the Notice, most online lottery sale websites have temporarily suspended the lottery sale although it is not explicitly required by the Notice.

Products

a) Welfare lottery

The Welfare lottery game ‘Lotto’ involves choosing six red balls, numbered from one to thirty three and one blue ball, numbered from one to 16. Depending on the subsequent draw players can win a jackpot (typically RMB 10 million) or any of a number of fixed prizes.

b) Sports lottery

Sports lottery is based predominantly around football or basketball and involves predicting the results of matches or groups of matches, including final scores. Prizes are awarded based on odds provided by the provincial lottery centres. Sports lotteries involve an element of skill in evaluating the capabilities of the teams and individual players.

Sports lotteries can also be based on virtual games shown on screens in lottery shops where players predict the winners or the first three places. The games start every four minutes and the players complete a paper entry, submit it and their payment to the cashier and, if they win, collect their cash prize in store.

The Market

The Directors believe that lottery sales in the PRC have grown significantly in recent years and the Directors believe that such growth will continue in the next two years.

Drivers of growth

a) GDP/disposable income

- GDP per capita in the PRC has risen from US\$4,437 in 2010 to US\$7,589 in 2014, an increase of 71 per cent. with a further 7.5 per cent. increase predicted in 2015.
- Over the same period disposable income per capita has grown from \$2,768 to \$4,193, an increase of 52 per cent.
- Total household income in the PRC is in excess of \$5 trillion per year, dwarfing that of other developing countries such as India, Brazil and Russia.
- The percentage of this household income spent on discretionary items is due to grow by an average of 7 per cent. per annum between 2010 and 2020.

b) Regulation

- With an illegal gambling market estimated in 2010 to be in excess of RMB 1 trillion the Directors believe that the PRC government may seek to encourage more legal participation in gaming activities by new products and/or wider distribution channels.

c) Growth in internet penetration

- Since 2008 China has had more internet users than any other country. Globally more than one in five of all those with internet access are in China. The Directors believe that as sales of lottery products increasingly become available online this will drive significant growth.
- The number of internet users in mainland China grew to 650 million at the end of 2014 giving a penetration in excess of 46 per cent. This represents an increase of 39 per cent. since 2010.
- 557 million of these users, or 85 per cent., went online using their mobile phones in 2014.

The Directors believe that this increased access to the internet, along with the increase in disposable income and household discretionary expenditure, will drive continued growth in online and mobile games.

5. Key Strengths

The Board believes that the PCGE Group has the following key strengths:

- the Group's ability to leverage its relationship with HPC and HLC, who, in turn, have strong positions in their market and relations with local government and regulatory bodies;
- the high barriers to entry to other firms trying to enter the market in respect of "real world" tournaments in Hainan;
- the strength and experience of the management team operating in this sector;
- the strong and continuing economic growth of the PRC specifically, and the Asia-Pacific region generally; and
- the CPG brand becoming recognised amongst the poker playing community as representing legal, regulated, safe, onshore poker.

6. Competition

The Directors expect that as poker tournaments expand into other provinces there will be increasing competition from legitimate and illegitimate organisations. However, the Directors believe that there are considerable barriers to entry in respect of "real world" poker tournaments in Hainan. Hainan is a special economic zone with 'light touch' regulation on sports and cultural events but, the Directors believe, has so far only given two companies licenses to run poker tournaments. The Directors believe that, together, HPC's first mover advantage (two successful poker tournaments and a strong brand) and the Group's Licences will put sufficient distance between HPC and any future competitors for HPC to be able to realise its objectives offline and online.

7. Directors, senior management and employees

Brief biographies of the Directors and the senior managers of the Group are set out below. Paragraph 6.1 of Part V of this document contains further details of current and past directorships and certain other important information regarding the Directors.

Directors

Kung Min Lin, aged 49, Non-Executive Chairman

Mr Lin holds an MA in International Business and Management from Westminster University. Mr Lin has extensive experience in currency and index trading through a decade of involvement in a number of Taiwan based banking and foreign exchange operations. In 2000 Mr. Lin was appointed Director and

Chief Operating Officer of Ozmosa Limited, a sports betting operator in the East and South East Asia regions. Mr Lin is the Chairman of the Power Capital Group, based in Taiwan, which holds various foreign exchange trading and asset management businesses across Asia. Mr Lin is Chairman of Power Capital Global Limited, a commodities trading business, and Chairman of MoneySwap PLC, both of which are traded on AIM.

Richard O'Dell Poulden, aged 63, Non-Executive Deputy Chairman

Following a law degree from Oxford University, Mr. Poulden qualified as a Barrister, after which he moved into merchant banking where he worked for Samuel Montagu & Co Limited. Following an MBA at the London Business School and an exchange program with Harvard Business School, he joined the international management consultancy firm, Arthur D Little, where he worked in their European strategy practice. He was also co-founder of its Financial Industries Group. He served in the UK Leadership Team of Electronic Data Systems where he worked on developing new financial structures for the sale of Electronic Data Systems services. He has founded or co-founded successful companies in healthcare, retail and natural resources and in all these sectors he has executed successful strategies for growth by acquisition. Mr Poulden is Chairman of AIM traded Wishbone Gold PLC and Chairman of Black Swan plc.

Nicholas (Nick) Jonathan Michael Charles Bryant, aged 54, Chief Executive Officer

Mr Bryant has spent more than 25 years in the media industry working for major advertising agencies (Young and Rubicam, an advertising agency now known as Y&R, Boase Massimi Pollit, an advertising agency renamed DDB London), broadcasters (BSkyB (British Sky Broadcasting), Showtime Arabia Ltd (now known as OSN Networks), Middle East Broadcasting Centre FC LLC (“MBC”)) and managing sponsorship and digital media companies (Media Dimensions Limited, Txt TV FZ LLC).

In the 1980s, he established Media Dimensions Limited a media sponsorship agency in the UK and was active in devising and managing promotional games on television and in the national press. In the 1990s, he was a director of commercial operations of BSkyB’s “Open...” service. Subsequently, he became a group director of MBC, where he was responsible for gaming, premium-rate services and mobile application development. He also started Txt TV FZ LLC which was a significant TV chat channel and premium-rate service provider in the Middle East. Most recently, he was managing director of Luup Limited, a mobile payments solution provider based in London, Oslo and Dubai. Mr Bryant has a BA from the University of Essex.

Clive Mark Hyman, aged 54, Chief Financial Officer

Mr Hyman, an Exhibitioner at Christ’s College, Cambridge, is also a Chartered Accountant with experience in quoted and unquoted companies. He was a partner with KPMG in their London office, where he was a founding partner of KPMG’s Transaction Services businesses. In addition, he was a founding partner of KPMG’s private equity group, developing relationships in the private equity community in New York and London for the firm. During his time at KPMG, he serviced many large clients in the corporate and private equity community. He also led and founded KPMG’s K-Ventures fund in 1999 and invested successfully in early stage propositions. He left the firm in 2005. He was group CFO of a healthcare business from July 2010 to August 2011 and is a former non-executive and independent board member of Petrol Ofisi AS, a Turkish listed group, majority owned by OMV AG. He became a consultant to Black Swan plc in April 2013 and in addition has been the CFO of Wishbone Gold PLC since September 2013.

Professor Michael Raymond Mainelli, aged 56, Non-Executive Director

Professor Mainelli co-founded Z/Yen Group Limited (“Z/Yen”), a commercial think-tank, in 1994 to promote societal advance through better finance and technology. In his career he has worked in rocket science, finance, and technology. Professor Mainelli has worked on the internet since 1976 with numerous early stage technologies, such as developing games for clients, e.g. Sony, as well as for Z/Yen. Professor Mainelli won a 1996 Foresight Challenge award for creating the Financial Laboratory, melding military gaming with trading to visualise financial risk, and a 2003 UK Smart Award for

PropheZy, Z/Yen's prediction software. Professor Mainelli has been a commentator on the fusion of betting, gaming and finance over the years, including work on weather bets and sports contingency risk. After a post at Arthur Andersen, Professor Mainelli spent seven years as a partner and board member of the leading accountancy firm, BDO Binder Hamlyn, directing global consulting projects. While co-founding Z/Yen, Professor Mainelli served as a Director of Europe's largest R&D organisation (the Defence Evaluation & Research Agency) leading to two privatisations.

Educated at Harvard, Trinity College Dublin and the London School of Economics, Professor Mainelli is a qualified accountant, securities professional, computer specialist and management consultant, he was 2004/2005 British Computer Society "Director of the Year". In 2005, he was the Mercers' School Memorial Professor of Commerce at Gresham College. Professor Mainelli is a non-executive director of the United Kingdom Accreditation Service (UK's national body for standards and laboratories) and AIM traded Wishbone Gold plc and has held numerous advisory posts, including Hitachi UK and HM Treasury.

Alan David Gravett, aged 67, Non-Executive Director

Mr Gravett commenced employment with Barclays Bank Trust Company Limited, (then Barclays Bank Executor and Trustee Department), in 1965 achieving the Trustee Diploma of the Institute of Bankers in 1973. By 1986 he had become manager of their Gibraltar operation, dealing with the administration of companies and trusts, leaving in 1988 and remaining in Gibraltar to join a large local trust corporation. In 1993 he became an executive director of a smaller local trust corporation and remained there for 18 years leaving when the trust corporation was sold. He is now a freelance consultant based in Gibraltar but continues to be closely involved with company and trust structures for a wide range of international clients.

Senior management

Xu Lei (Alex) Xuleai, aged 35, Vice President

After graduating from the South-Central University for Nationalities in Wuhan with a degree in computer science in 2003, in 2004 Mr Xuleai set up Beijing Hiland Kaiyo Technologies, where he designed and developed gold margin trading systems. In 2010 he was employed as a product research director in charge of the design and implementation of precious metals and related-derivatives trading for the Beijing Gold Exchange, following which he became the Vice President of Pan Asia Gold Exchange. At PCGE he will be responsible for the business operations of the Group in China.

Heng Jui (Henry) Lin, aged 45, Consultant

Henry is a graduate in Banking Management from Tamsui Oxford College Taiwan. After military service with the Taiwanese Army, Henry joined Citibank as Supervisor of the Taichung Sales team. In 1997 he moved to London to study at the Westminster Business School, University of Westminster and graduated with an MA International Business and Management in 1998. Henry returned to Taiwan and joined Bank Sinopac where he gained experience as Supervisor of the mortgage team. A year later Henry was promoted to Assistant Manager of Credit Division where he was responsible for the risk management of all of Consumer Banking Branches. Henry also qualified with the International Association of Registered Financial Consultants (USA.) as a Registered Financial Consultant. Henry moved to Taishin Bank in 2004 and managed an Asset Management Team in Taichung Branch. In 2006, Henry was invited to join HSBC as manager of the Central Corporate Finance Team located in Taichung Branch. With the experience of a broad-based consumer and institutional banking career Henry decided to utilise his skills in the private sector and joined the Power Capital Group in 2007. Henry is now a Director of Power Capital Global Limited (AIM:PCGB)

8. Current trading and historical financial information

The Company announced today its results for the year ended 31 December 2014. A summary of the Company's recent current trading is set out in the Chairman's statement accompanying those results.

Your attention is drawn to the Company's audited report and accounts for the years ended 31 December 2012, 2013 and 2014 (together the "Accounts"). The Accounts are deemed to be incorporated in this

document by reference and are available from the Company's website www.pcge.com. The financial information on the Company is included in the Company's financial statements and the notes to them.

Shareholders may request a hard copy of the Accounts from the Company's principal place of business by writing to G1 Haven Court, 5 Library Ramp, Gibraltar or telephoning +350 200 78949. Hard copies of the Accounts will be despatched as soon as possible and, in any event, within two business days of the receipt of a request. Shareholders who do not make a request will not be sent hard copies of the Accounts.

PART III

RISK FACTORS

Any investment in the Ordinary Shares is subject to a number of risks. Before making an investment decision with respect to the Ordinary Shares, prospective investors should carefully consider the risks associated with an investment in the Company, the Group's business and the industry and countries in which the Group intends to make, and has made, acquisitions, in addition to all of the other information set out in this document and, in particular, those risks described below.

Prospective investors should therefore consider carefully whether an investment in the Company is suitable for them in the light of the risk factors outlined below, their personal circumstances and the financial resources available to them.

If any of the circumstances identified in the risk factors were to materialise, the Group's business, financial condition, results of operations and future prospects could be adversely affected and investors may lose all or part of their investment. Certain risks of which the Directors are aware at the date of this document and which they consider material to prospective investors are set out in the risk factors below, however, further risks and uncertainties relating to the Group which are not currently known to the Directors, or that the Directors do not currently deem material, may also have an adverse effect on the Group's business, financial condition, results of operations and future prospects. If this occurs, the price of the Ordinary Shares may decline and investors may lose all or part of their investment. An investment in the Group may not be suitable for all recipients of this document. Potential investors are therefore strongly recommended to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

The risks are not presented in any order of priority and no inference ought to be drawn as to the order in which the following risk factors are presented as to their relative importance or potential effect.

1. Risks relating to the Company and Enlarged Group

Limited operating history

The Company is a recently formed company that has a limited trading history and financial track record with more limited internal systems and controls than those which investors would expect from a larger, more established business. Although the Company has acquired the Licences and entered into the Framework Agreement in respect of the Gaming Investments and the Cooperation Agreements, the Group has not yet utilised the Licences nor implemented its strategy. There can be no assurance that the Group will be successful and prospective investors do not have financial or other information regarding future information on the Group's future prospects to assist them in making their investment decision. There is, therefore, no basis on which to evaluate the Group's ability to achieve its business objective and provide a satisfactory investment return.

Reliance on third parties

The Group intends to use third parties for the operation of the online gaming, payment processing and IT services. Failure by these third parties could cause material disruption to the Group limiting its ability to operate until a replacement operator can be found, assuming one could be found at all.

Reliance on key personnel

The success of the Group will be dependent on the services of key management and operating personnel. The Directors believe that the Group's future success will depend largely on its ability to attract and retain highly skilled and qualified personnel, and to expand, train and manage its employee base. There can be no guarantee that suitably skilled and qualified individuals will be identified and

employed or contracted on satisfactory terms or at all. If the Group fails to recruit or retain the necessary personnel, or if the Group loses the services of any of its key executives, its business could be materially and adversely affected.

Future funding requirements

The Group's longer-term capital requirements will depend on many factors, including, but not limited to, working capital requirements and capital expenditure. To the extent that the existing resources are insufficient to fund its activities in the longer-term, the Company may need to raise additional funds through public or private financing. No assurance can be given that additional financing will be available or that, if available, the terms of such financing will be favourable to the Company or its Shareholders. If, in the longer-term, the Company raises additional funds by issuing more Ordinary Shares, the ownership interest of Shareholders could be significantly diluted and any additional issues may have rights, preferences or privileges senior to the rights currently assigned to the Ordinary Shares.

Competition

The Group is operating in a competitive market. Many of the Group's competitors will have greater financial and other resources than the Group and, as a result, may be in a better position to compete for potential opportunities. In addition many of its competitors will have already established online businesses and have strong positions in the industry. This competition could have a material adverse effect on the Group's financial condition, results or operations as well as the Group's ability to attract and retain highly skilled individuals. There can be no assurance that the Group can, or will be able to, compete effectively.

Actions of third parties, including contractors and partners

The Group will be reliant to a significant extent on third parties to provide contracting services. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships could be detrimental to the future business, operating results and/or financial performance of the Group. To the extent that the Group cannot engage contractors according to its plans and budgets, its financial performance may be adversely impaired.

In certain circumstances, the Group may be liable for the acts or omissions of its partners. If a third party pursues claims against the Group or against a joint venture vehicle as a result of the acts or omissions of the Group's partners, the Group's ability to recover from such partners may be limited. Recovery under such arrangements may involve delay, management time, costs and expenses or may not be possible at all which, in each case, could adversely affect the Group's financial performance and condition.

The Acquisition and other acquisitions

The Company may not be able to successfully integrate CPDC within the Group. The Company may also seek to acquire (or acquire stakes in) other businesses and assets (including complementary businesses and asset). Factors that will affect the success of any acquisitions (including the Acquisition) will include the Group's ability to integrate or manage such acquisitions or to fund their exploitation. The Group may not be able to identify suitable opportunities for acquisitions, obtain necessary funding on acceptable terms to finance such acquisitions, or successfully integrate or exploit them. In addition, costs will be incurred in considering and pursuing acquisition opportunities. These matters could disrupt the Group's ongoing business, distract management and employees, increase expenses and materially and adversely affect the Group's business. The Acquisition and/or any future acquisitions could involve certain other risks, including the assumption of additional liabilities. If the Company issues equity securities in connection with any acquisitions, the existing Shareholders' percentage holding of shares in the Company would be reduced. The Acquisition will involve the issue of further new Ordinary Shares and therefore the existing Shareholders' percentage holding of shares in the Company will be reduced on Admission.

The Acquisition may not complete

Completion of the Acquisition is subject to the satisfaction (or waiver) of a number of conditions contained in the CPDC Acquisition Agreement including the approval of the Acquisition by the Shareholders at the General Meeting and Admission. If Shareholders do not approve the Acquisition at the General Meeting, the Acquisition will not complete.

There is no guarantee that these (or other) conditions will be satisfied (or waived where possible) in which case the Acquisition will not be completed.

The Enlarged Group may not be able fully to realise the benefits of the Acquisition

The Enlarged Group's success will partially depend on the Directors' ability following the Acquisition to integrate the business of CPDC within the Group. This integration process may divert management's attention from the ordinary course operation of the business and raise unexpected issues and may take longer or prove more costly than anticipated. Although the Directors believe that such disruption is unlikely, issues may come to light during the course of integrating CPDC that may have an adverse effect on the financial condition and results of operations of the Enlarged Group. There is no assurance that the Company will realise the potential benefits of the Acquisition. If the Company is unable to integrate the CPDC business successfully into the Enlarged Group then this could have a significantly negative impact on the results of operations and/or financial condition of the Enlarged Group.

Usage Rights Agreement with Kenmore Ventures Ltd

Pursuant to the terms of the Usage Rights Agreement with Kenmore Ventures Ltd ("Kenmore"), Kenmore has that right to terminate the agreement if, in its reasonable opinion, it is not "commercially viable" for the agreement to remain in full force and effect. Under the terms of the agreement, "commercially viable" means that during the last 6 months of operation prior to the termination of the agreement by either party, CPDC did not transfer to Kenmore a minimum of US\$100,000 per month. As CPDC has historically missed certain of these minimum payments of US\$100,000 per month to Kenmore, there is a risk that Kenmore will seek to terminate the usage rights agreement which would have a significantly adverse effect on the Enlarged Group's financial performance.

Usage Rights Agreement with Kenmore Ventures Ltd not exclusive

The rights granted to CPDC by Kenmore under the Usage Rights Agreement are not exclusive. There is nothing in the Usage Rights Agreement to limit, prevent or preclude Kenmore in any way from entering into any current or future agreements with other third parties under which it grants the same, similar or preferential rights as those granted to CPDC. There is therefore a risk that third parties will seek to obtain similar or preferential rights from Kenmore and be able to operate as competitors of CPDC. Such competitors could take business away from CPDC or dilute local markets, which could have a materially adverse effect on the financial performance of CPDC and/or the Group.

Licences held by CPDC

The Usage Rights Agreement with Kenmore does not require any sort of online gaming licence. CPDC has nevertheless obtained a client provider authorisation from the Kahnawake Gaming Commission. As at the date of this document, it is believed by the directors that CPDC's activities do not strictly require any kind of licence, however there is a risk that applicable legal or regulatory approvals, consents or licences may have been required and/or will be required in the future in connection with CPDC's past, current or future activities and that material liabilities might arise in respect of such matters and/or the Company and/or CPDC may not be able to obtain any such approvals, consents or licences and/or such approvals, consents or licences may not be obtained or retained on attractive terms or without significant expense and this might have a materially adverse effect on the financial performance of CPDC and/or the Group.

Memoranda of Agreement with Gaming Gate Asia Inc

Although CPDC's business with Gaming Gate Asia Inc ceased in January 2015, there is a risk that there are on-going duties owed by CPDC to Gaming Gate Asia Inc pursuant to the memoranda of agreement

dated 12 June 2012 and 21 August 2012. If there are any such duties or obligations owed by CPDC, for example, Gaming Gate Asia Inc's entitlement to revenue distribution, these could have a materially adverse effect on the financial performance of CPDC.

Reliance on major customer

Over 90 per cent. of CPDC's revenues are currently generated from GT Asia. If the revenues generated from GT Asia were reduced then this would have a material adverse effect on the business, trading and financial performance of CPDC and the Group. The Directors are seeking to take steps to mitigate the risks associated with this matter as referred to in Part I of this document.

2. Risks relating to the Licences and the Chinese gaming industry

Changes in existing regulations and policies applicable to the industry

The Group's operations in the PRC are subject to regulations and policies set by the PRC government. Regulations and policies relating to the Group's PRC businesses under the Framework Agreement, including the internet operation of online games, lottery agency sale business and poker tournament business and in China in general are still evolving, and it is possible that in future new regulations and policies may be introduced, or existing regulations and policies may be changed or interpreted differently, in a manner which is harmful to the Group's business. New regulation covering law enforcement, pricing, taxation, and quality of products and services could have a material impact on the Group's future operations, including as contemplated by the Cooperation Agreements, or the operations of its Gaming Investments and potential application of its Licences. Furthermore, the Group may be dependent, through its investments, on licences and contracts to distribute lottery products.

The rules and regulations on online gaming service market in China are relatively new and subject to interpretation, and their implementation involves uncertainty. The online poker market is particularly sensitive given the prohibition on gambling in the PRC. As at the date of this document, the Group has not sought or obtained approval to operate the specific online games it is hoping to manage, and there may be a risk it will fail to obtain the relevant approvals and permits.

On 15 January 2015, the Notice on Issues Relating to Carrying Out the Self-examination and Correction for Arbitrary Online Lottery Sale Behaviors (the "Notice") was issued collectively by the Ministry of Finance of the PRC, Ministry of Civil Affairs of the PRC and General Administration of Sports of the PRC to renovate the unauthorised online lottery sale behaviours. Subsequently, the Ministry of Civil Affairs of the PRC and General Administration of Sports of the PRC respectively issued relevant notices in relation to the implementation of the Notice. During the period of the self-examination and correction made pursuant to the Notice, most online lottery sale websites have temporarily suspended the lottery sale although it is not explicitly required by the Notice. As the laws and regulations governing the online lottery sale are still evolving, it is not known whether there will be similar notices issued which may have adverse effect on the online lottery sale business, or whether there will be new regulations and policies to set up more strict rules for the online lottery sale operation in the future. There is a risk that the Group's online lottery agency sales business may be adversely affected if any such new requirements cannot be met.

Compliance with PRC regulations on internet content

The PRC government has adopted regulations governing internet access and the distribution of information over the internet. Under these regulations, internet content providers are prohibited from posting or displaying over the internet content that, among other things, violates PRC laws and regulations, impairs the national dignity of China, or is reactionary, obscene, superstitious, fraudulent or defamatory. Failure to comply with these requirements may result in the revocation of licences to provide internet content and other licences, and the closure of the websites concerned. The website operator may also be held liable for such censored information displayed on or linked to the websites. If any websites operated or to be operated by Sihai Geju, HLC or HPC are found to be in violation of any such requirements, it may be penalised by relevant authorities and the operations or reputation of Sihai Geju and the PCGE Group could be adversely affected.

The Licences

The Licences currently owned by Sihai Geju do not permit the Group to operate online poker games or online lottery agency sales since each imported online game product needs to be submitted to the Ministry of Culture for approval before it can be operated online, and each domestic online game product needs to be filed with the Ministry of Culture within 30 days of online operation. Online poker games in particular are very sensitive. Online lottery sales are also subject to additional special legal requirements including having a registered capital of at least RMB 50 million. Sihai Geju currently has a registered capital of RMB 15 million. As such, there is a risk that approval will not be given to operate the specific online poker games and lottery agency sales.

Business licences

Jingtuo and Sihai Geju, are required to maintain business licences or permits which are of limited duration and/or which are subject to annual inspections by the governing authorities in China. No guarantee can be given that they will pass such inspections or that they will be able to renew their business licences or permits at the appropriate times. If either of them loses its business licence or permit or fails to renew it upon expiry the operations and results of the Group could be materially adversely affected.

The paid in capital of Sihai Geju

The initial paid in capital of RMB 15,000,000 of Sihai Geju was withdrawn by the founders of Sihai Geju before the PRC Shareholders acquired Sihai Geju. As a result, even though the relevant public company search still shows Sihai Geju as having a paid in capital of RMB 15,000,000, Sihai Geju has failed to maintain the financial status required for the business licences it holds. If the licences were challenged then this would have a material adverse effect on the Group's trading and financial performance. However, its licences have been renewed through the past years. According to the PRC law, the shareholders who withdrew the capital amount before the PRC Shareholders acquired Sihai Geju are obliged to repay the capital amount. Further, the PRC Shareholders might be required to assume joint liability hereof if the relevant creditor of Sihai Geju requested such repayment and it is proved that the PRC Shareholders have or should have known about the aforesaid matters.

The employees of Sihai Geju

Under PRC laws, an operational internet cultural company is required to have eight or more business management staff and professional technicians who have obtained the corresponding qualifications required to meet the needs of internet cultural activities. If at any time Sihai Geju does not, or has failed to comply with these requirements (which has historically been the case) there is risk that government authority may challenge Sihai Geju's qualification for holding the Licences and/or impose a fine on Sihai Geju which could have a material adverse effect on the Group's trading and financial performance. The Company may not, at all material times, have had in place relevant documentation relating to the terms on which such individuals have been engaged. According to PRC Labour Contract Law last amended in 2012, a written labour contract should be put in place upon the establishment of an employment relationship. If an employer fails to conclude a written labour contract with an employee after the lapse of more than one month but less than one year as of the day after the commencement of the employment, it shall pay to the employee his or her monthly wages at double amount. If at any time Sihai Geju does not, or has failed to comply with these requirements (which has historically been the case), there is a risk that Sihai Geju will be liable to pay its employees double their monthly wages. If more than one year lapses from the date when the employee is employed, it will be deemed that Sihai Geju has entered into unfixed-time employment contracts with the employees.

According to the Social Insurance Law of the People's Republic of China promulgated in 2010 and which became effective in 2011, if an employer fails to handle social insurance registration within a prescribed time limit upon order of the social insurance administrative department, it may be subject to a fine of 1-3 times the amount of the social insurance premiums payable upon it, and a fine of up to RMB3,000 upon the directly liable person in charge and other directly liable persons. In addition, according to the Regulation on the Administration of Housing Accumulation Funds last amended in

2002, if the company fails to make deposit registration of the housing accumulation fund within a prescribed time limit upon order of housing accumulation fund management centre, it may be subject to a fine of up to RMB50,000. If Sihai Geju has not obtained its social insurance registration and housing fund registration and made the applicable social insurance contribution and housing fund contribution for its employees (which has historically been the case), there is a risk that the government authority may impose such fines on Sihai Geju.

Sihai Geju's reliance on publishing companies for publishing self-developed games

According to the Administrative Regulations on Publication promulgated by the State Council effective as of 1 February 2002 and the Administrative Regulations on Publications Market promulgated by General Administration of Press and Publication (the "GAPP") and the Ministry of Commerce of the PRC, effective as of 25 March 2011, a Permit for Operating Publications is required for publication activities. Sihai Geju has not obtained such permit. Consequently, if Sihai Geju intends to publish and operate online games it develops, it will need to cooperate with a publishing company holding the Permit for Operating Publications. There may be a risk that Sihai Geju cannot find such a publishing company to publish the games it develops.

Key relationships

PGCE's business strategy depends, to an extent, on key relationships built with important regulatory officials and customers. There is no guarantee that such relationships will be maintained which could have a material adverse effect on the Group's trading and financial performance.

Technology risk

The Company's business strategy will be reliant on internet technology for its day-to-day operations. Any failure on its part to maintain these technological systems could result in significant material losses in the business. Failure to properly keep records, reward winners, or safeguard personal and payment information for its clients, could seriously damage the Group's reputation.

Risks relating to the Framework Agreement

The Framework Agreement contains certain obligations that the PRC Shareholders are required to perform, including procuring that the transfer of the relevant 10 per cent. equity interest is completed in accordance with the terms of the Framework Agreement and to use all reasonable endeavours to procure that all legal, political, governmental and other requirements are satisfied with regard to the matters relevant to the exercise of the Option Right. There is a risk that the PRC Shareholders will not honour such obligations, and, as such, no guarantee can be given that exercise of the Option Right will result in Sihai Geju obtaining the equity interest in HPC and HLC which could have a material adverse effect on the Group's trading and financial performance. The transfer of the equity interests referred to above has not yet been completed. The PRC Shareholders have not yet fully performed their obligations under the Framework Agreement and PCGE is liaising with the PRC Shareholders with respect to the outstanding obligations of the PRC Shareholders under the Framework Agreement.

Risks relating to the Cooperation Agreements

The Cooperation Agreements contain obligations that HPC and HLC are required to perform, further details of which are set out in Part II and Part V of this document. In addition, both HPC and HLC are obliged to maintain the validity of their licences, permits and authorisations required for their businesses. There is no guarantee that HPC or HLC will honour such obligations, and, as such, there is a risk that the collaboration envisaged by the Cooperation Agreements will not be successful which could have a material adverse effect on the Group's trading and financial performance.

3. Risks specific to investments in the PRC

Emerging market risks

The Group's Licences and business are based in the PRC. The economic structure, level of government involvement, level of development, growth rate, control of foreign exchange, capital reinvestment and

allocation of resources may differ from those in other countries. Many rules and regulations implemented by the PRC Government may be subject to further refinements and amendments to enable the economic system to develop into a more sophisticated form. Rising inflation in the PRC may affect the Group's ability to obtain external financing and reduce its ability to implement its strategy. Any changes in the Chinese political, fiscal and legal systems such as, *inter alia*, changes in exchange rates, control regulations, expropriation of mineral rights, changes in government and in legislative and regulatory regimes, might affect the ownership or operation of the Group. The Directors can give no assurances that the PRC Government will not implement any additional measures to tighten external financing standards, or that, if any such measure is implemented, it will not adversely affect the Group's future financial performance.

Judicial, administrative and regulatory issues

Although the Company is incorporated under the laws of Gibraltar, substantially all of its operations are conducted through subsidiaries, organised under the laws of the PRC. PRC laws and regulations, as well as the interpretations and implementations thereof can change quickly and / or unpredictably. Foreign investors may be adversely affected by new laws, frequent changes to existing laws (or interpretations thereof) and pre-emption of provincial or local regulations by national laws or regulations. Moreover, the administrative and judicial interpretation, implementation and resolution of commercial disputes may be subject to the exercise of considerable discretion by both administrative and judicial bodies. In addition, new or amended government policies and administrative rules may have a retroactive effect. As a result, the Company may not be aware of a violation of these policies and rules by a member of the Group until some time after the violation.

To the extent the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments with major economies such as the USA, the UK and Japan, it would be difficult for the Company to enforce in the PRC any judgments it obtained in a foreign court. These uncertainties could limit the legal protections available to the Group in the PRC.

Further, as a result of political changes, the interpretations of statutes and regulations may be subject to government policies. Such uncertainties may affect the Group's Licences and business and any future investments and, accordingly, its financial performance.

Investment restrictions

China has laws and regulations that, to varying degrees, preclude or restrict direct foreign investment in the securities of resident companies, limit the types of securities that foreigners may purchase, or limit foreign investors to special investment structures. Prior governmental approval for foreign investments in China will be required and the extent of foreign investment in domestic companies may be subject to limitation. Certain industries have been classified by administrative authorities in China as restricted or prohibited industries for foreign investment, and the list of those restricted and prohibited industries may change from time to time. Foreign ownership limitations also may be imposed by the charters of individual companies.

Bankruptcy

The enactment in August 2006 of China's new Bankruptcy Law expanded the scope of Chinese bankruptcy law from state-owned enterprises to include private companies, as well as giving priority to the rights of secured creditors in the foreclosure of secured assets. However, despite these advances, there can be no assurance regarding the implementation of the new Bankruptcy Law, and Chinese bankruptcy law remains underdeveloped as compared to the United States and other OECD-member countries. These factors, together with the lack of transparency in China's judicial system and local protectionism, may prevent the Company from accurately anticipating the outcome of any bankruptcy proceedings in China.

M&A Rules

On 8 August 2006, six PRC regulatory agencies, including the China Securities Regulatory Commission (the "CSRC"), promulgated the Rules on Mergers and Acquisition of Domestic

Enterprises by Foreign Investors (the “M&A Rules”) that became effective on 8 September 2006 (“Effective Date of the M&A Rules”).

This regulation has a number of provisions which purport that an offshore special purpose vehicle formed for listing purposes and controlled directly or indirectly by PRC companies or individuals is required to obtain the approval of the CSRC prior to listing and trading of securities on an overseas stock exchange. The application of the new regulations to special purpose vehicles which have duly established foreign invested enterprises incorporated prior to the Effective Date of the M&A Rules to acquire PRC domestic enterprises is unclear.

The Shareholders of the Company are not PRC residents, The Company believes that it is not necessary to obtain approval from the CSRC in relation to Admission for the following reasons: (i) the Company is not considered to be controlled by PRC residents and (ii) neither the Company nor any member of its Group are considered to fall within the definition of “special purpose vehicle” under the M&A Rules.

Mergers and acquisition review for national economic security purpose (the “Security Review”)

On 25 August 2011, the Ministry of Commerce (the “MOFCOM”) promulgated Announcement No. 53 [2011] – Provisions of the Ministry of Commerce on the Implementation of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the “Announcement 53”) which became effective on 1 September 2011 (the “Effective Date of Announcement 53”). Announcement 53 requires that it is the foreign investor’s responsibility to apply for approval from the MOFCOM where the Security Review applies and whether a merger or acquisition is subject to the Security Review shall be determined from the substance and actual impact of the transaction. No foreign investor shall substantially evade the Security Review in any form, including but not limited to holding shares on behalf of others, trust, multi-level reinvestment, leases, loans, control by contractual arrangements and overseas transactions.

The Company’s PRC lawyers have advised that the contracts for the Company’s control over Sihai Geju are not subject to the Security Review because the contracts in relation to VIE Arrangements between Jingtuo and Sihai Geju were entered into before the Effective Date of Announcement 53. However, as these rules are relatively new and there is lack of clear statutory interpretation on the implementation of the same, there is no assurance that the MOFCOM will take a view in the future that is not contrary to or otherwise different from the opinion stated above or that the MOFCOM or other government agencies, and there is no assurance these national security review-related rules will not be applied to the business of the Group or its future acquired businesses if such businesses are deemed to be in an industry that raises “national defence and security” or “national security” concerns.

The negative effect arising from the uncertainty of the M&A Rules and the Security Review in relation to future investments involved in the restructuring process in the PRC

Under the M&A Rules and the Security Review, there are stringent requirements in relation to restructuring a PRC domestic enterprise to a FIE for overseas financing and listing purposes.

The Company may invest in domestic PRC companies after first restructuring them into FIEs. Such restructuring may be subject to the approval of the Ministry of Commerce of the PRC, its local branches and other PRC regulatory authorities. There is a possibility that the Company or the investee company may not be able to satisfy all the regulatory requirements under PRC law and regulations. The approval process of restructuring is not only time-consuming but also presents opportunities for the authorities to scrutinise investment projects. Meanwhile, various specific PRC legal requirements (such as asset appraisal and SAFE registration) may also apply to the restructuring process and may add further complexities and variables to the process.

Even where the proposed restructuring appears feasible under current PRC law and regulations, the number of elements, such as the size, locality, approval level, industry, complexity, and sensitivity involved in the restructuring can significantly affect and lengthen the approval period. The uncertainty involved in the restructuring process may restrict the Group’s ability to secure new projects which could have a material adverse effect on its future business operations.

Recent PRC regulations relating to the establishment of offshore special purpose companies by PRC residents

On 4 July 2014, SAFE promulgated the Circular Regarding Foreign Exchange Control for Overseas Investment and Financing and Offshore-Domestic Investments by Domestic Residents through Special Purpose Vehicles (“Circular 37”), which repealed the previous Circular Regarding Foreign Exchange Control for Fundraising and Offshore-Domestic Investments by Domestic Residents through Overseas Special Purpose Vehicles (“Circular 75”) issued by SAFE on 21 October 2005. Circular 37, subject to the rules therein, allows a PRC domestic enterprise or a PRC natural person (“PRC Resident”) to transfer their domestic or overseas assets or interest to a foreign special purpose vehicle (“SPV”). The definition of PRC natural person covers PRC citizens and certain foreign individuals who do not hold PRC legal identification but have been habitually resident in the PRC due to economic benefits. Circular 37 requires PRC Residents to register with the local SAFE branch before contributing to the SPVs with their domestic or overseas assets or interests (the “Circular 37 Initial Registration”). According to Circular 37, PRC Residents are under continuing obligation to modify the Circular 37 Initial Registration after basic information changes including but not limited to the individual PRC Resident’s name, business term, or material changes including but not limited to individual PRC Resident’s capital increase, capital reduction, equity transfer or alterations of share capital, merger or division (the “Circular 37 Amendment Registration”, the Circular 37 Initial Registration and the Circular 37 Amendment Registration are collectively referred to as the “Circular 37 Registration”).

On 13 February 2015, the Notice on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) was promulgated by the SAFE (“**Circular 13**”) which came into effect on 1 June 2015. Pursuant to the Circular 13, the Administrative Examination and Approval Procedures relating to the Foreign Exchange Registration Approval under Domestic Direct Investment and the Foreign Exchange Registration Approval under Overseas Direct Investment (hereinafter collectively referred to as “direct investment-related foreign exchange registration”) has been cancelled and direct investment-related foreign exchange registration is now directly reviewed and handled by banks.

As none of the shareholders, controllers or beneficial owners of the Company fall into the ambit of the PRC residents as stipulated in SAFE Circular 37, the Company believes Circular 37 is not applicable and no SPV Registrations are required for any shareholders, controllers or beneficial owners of the Company or because the Company is not directly or indirectly held or controlled by a PRC resident within the meaning of Circular 37.

Protection of intellectual property rights

Jingtuo and Sihai Geju, may rely on intellectual property laws in China to protect their copyright, trademark and brands. There is some risk that counterfeiting or imitation could occur and any intellectual property disputes could have a materially adverse economic effect on Group.

Bribery

It is generally recognised that bribery is more prevalent in emerging markets. The Group has put in place operational procedures to manage the potential issues that could arise under the UK Bribery Act 2010 but there can be no guarantee that the employees of the Group or its other associates or investments will abide by these procedures and, as such, the Group, its Directors and employees of the Group could be exposed to criticism or prosecution under the UK Bribery Act 2010 or equivalent local legislation.

Foreign exchange risk

Foreign exchange transactions (including the repatriation of investment returns and capital) continue to be subject to foreign exchange controls imposed by the SAFE as the RMB is not freely convertible to other foreign currencies. The external value of the RMB is subject to policy changes of the Chinese government. Whilst the RMB exchange rate regime is a managed floating rate based on market supply and demand with reference to a basket of currencies, the People’s Bank of China has the authority to periodically adjust the RMB exchange rate band which can cause significant fluctuations to the

exchange rates. In addition financial markets in many Asian countries have a tendency to be more volatile and certain currencies have been subject to significant devaluation in the past.

Currently no Chinese government approval is required to repatriate profits and dividends out of China to foreign shareholders. Capital may also be repatriated after a capital decrease has been approved by the relevant authorities. However, there is the risk that in the event any investee company fails to obtain such approval, capital will not be repatriated. In addition, any relaxation or abolition of exchange controls may give rise to capital outflows from China which could, among other things, adversely affect the strength of the RMB and the availability and cost of funding in China and could give rise to higher interest rates, thereby adversely affecting the Chinese economy and correspondingly adversely affecting investee companies.

4. Legal, tax and regulatory risks

Ownership structure

The Group has grown its operations in China through the use of control agreements, known as a Variable Interest Equity (VIE) structure. This is a result of Chinese restrictions on foreign ownership of value-added telecommunication and internet information service businesses (and a number of other sectors) and VIE structures have become common place for foreign ownership of internet businesses. Under a VIE structure, PCGE conducts its operations through contractual arrangements. In practice this means that its Chinese operations function like normal wholly owned subsidiaries of a holding company, with the one exception of direct legal ownership.

The Group has control agreements in place through its wholly owned subsidiary Jingtuo. It has a business operation agreement in place under which it is entitled to direct and supervise all business operation activities of Sihai Geju, and also provides technology support services for a service fee equal to 90 per cent. of Sihai Geju's turnover. Jingtuo has also been appointed as attorney for the PRC Shareholders to vote on their behalf in their capacity as shareholders of Sihai Geju. In addition, the PRC Shareholders have legally pledged their entire equity interest in Sihai Geju to Jingtuo. The PRC Shareholders have also granted to Jingtuo an exclusive call option to acquire all or part of the share equity interest in Sihai Geju to the extent PRC laws and local policies may permit in the future.

The Company believes that the contractual arrangements in relation to Sihai Geju, do not violate, breach, contravene or otherwise conflict with any applicable compulsory PRC laws, rules or regulations and are legally binding on the contractual parties under PRC law. However, due to the uncertainties regarding the interpretation and enforcement of PRC laws, rules and regulations, including but not limited to the laws, rules and regulations with respect to the validity and enforcement of the contractual arrangements, the PRC regulatory authorities may determine otherwise.

On 19 January 2015, the MOFCOM published the new draft of the Foreign Investment Law (the "Draft New Law") for public comment. The Draft New Law was accompanied by the MOFCOM's notes (the "Notes") on, among others, the background, guidelines and principle, and main content of the Draft New Law and elaboration on several issues including the treatment of existing contractual arrangements, or "VIE structures", which have been established before the effectiveness of the Draft New Law. MOFCOM proposed three possible ways to deal with an existing VIE structure, if the business in which the company is involved still belongs to restricted or prohibited foreign-entry areas according to the then effective Foreign Investment Industrial Guidance Catalogue when the Draft New Law comes into effectiveness:

- (i) reporting: the structure being permitted to continue following reporting to MOFCOM of the VIE structure being ultimately controlled by a PRC investor;
- (ii) verification: the structure being permitted to continue following confirmation, on the application of the foreign investor, by MOFCOM of the VIE structure being ultimately controlled by a PRC investor; and
- (iii) approval: the VIE structure being permitted to continue following approval by MOFCOM.

There are no implementation rules for the verification and approval procedures of the VIE structure under the Draft New Law.

According to the Notes, the Group's VIE Arrangements may fall within the approval process if the business of Sihai Geju, HLC or HPC is identified as restricted or prohibited foreign-entry areas according to the then effective Foreign Investment Industrial Guidance Catalogue when the Draft New Law comes into effect. If such approval can not be obtained, and/or if the contractual arrangements of the Group in relation to Sihai Geju are found to be in violation of any existing or future PRC laws, rules or regulations, the results of the Group could be materially adversely affected. As the Draft New Law is currently in the consultation stage for public comment, it is possible that there may be amendments to the Draft New Law and the Notes before its formal promulgation and implementation. In addition, such public consultation in the PRC will not be the same as it would be in the United Kingdom, and as such, it is not possible to know what the impact may be on the Group. There is a risk that such impact will be both material and adverse.

Litigation and claims

Legal proceedings, with or without merit, may arise from time to time in the course of the Group's business. The Directors cannot preclude litigation being brought against the Group and any litigation brought against the Group could have a material adverse effect on the financial condition, results or operations of the Group. The Group's business may be materially adversely affected if the Group and/or its employees, consultants, contractors or agents are found not to have met the appropriate standard of care or exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards. The Group only maintains a directors' and officers' insurance policy and without further appropriate insurance, the Group is not covered for its financial obligations in the event that legal proceedings or claims are brought against the Group, potentially exposing the Group to significant costs. It is the Group's intention to take out appropriate insurance policies for the Group depending on the activities of the Group from time to time. Even if the Group maintains insurance in respect of such risks, there is no guarantee that any insurance in place will cover all, or any part, of any liability incurred by the Group in any such circumstances.

Risk of damage to reputation and negative publicity

The Company's ability to attract further investment and new business is dependent on the Group maintaining a good reputation. The Group is vulnerable to adverse market perception as it operates in an industry where a high level of integrity and trust is paramount. Any perceived, actual or alleged mismanagement, fraud or failure to satisfy the Group's responsibilities, or the negative publicity resulting from such activities or the allegation by a third party of such activities (whether well founded or not) associated with the Group, could have a material adverse effect on the financial condition, results or operations of the Group. In addition, following the downturn in the equity markets and the resulting heightened consumer and media interest in the financial services industry, any future negative publicity associated with the business or operations of the Group (whether well founded or not) could result in reputational damage and could have a material adverse effect on the financial condition, results or operations of the Group.

Tax uncertainty

Tax laws and regulations are under constant development and often subject to change as a result of changing government policy. Such changes may occur without sufficient warning. Implementation of various taxes may affect consumption in certain sectors. There is a risk that changes in tax policy and regulations may adversely affect the demand for certain products or services of the Group's investments.

Tax and residency

Since incorporation the Company has been managed and controlled from outside the United Kingdom and it is anticipated that it will continue to be managed and controlled from outside the United Kingdom. It is anticipated that it will be considered to be resident outside the United Kingdom for tax purposes. However, the location of the management and control of the Company may change in the

future and/or may be questioned by applicable tax authorities, either of which may affect the Company's tax residency and therefore the Company's tax position. The actual taxation status of the Group is dependent on the activities of the Group going forward.

Economic, political, judicial, administrative, taxation or other regulatory factors

The Company may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors in the areas in which the Group may invest and hold its assets, as well as other unforeseen matters.

5. Investment and AIM related risks

Investment in AIM Securities

The Ordinary Shares will be traded on AIM. AIM is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than those of the Official List. Investments in shares quoted on AIM are highly speculative and carry a higher degree of risk than investments in shares quoted on the Official List. Neither the London Stock Exchange nor the UKLA have examined this document for the purposes of Admission.

An investment in the Ordinary Shares may be difficult to realise and the price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Group and its operations and some which may affect quoted companies generally.

Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares. The market for shares in smaller public companies, such as the Company, is less liquid than for larger public companies. The Group is aiming to achieve capital growth and, therefore, Ordinary Shares may not be suitable as a short-term investment. Consequently, the share price may be subject to greater fluctuation on small volumes of shares, and thus the Ordinary Shares may be difficult to sell at a particular price. The value of the Ordinary Shares may go down as well as up. Investors may therefore realise less than their original investment or sustain a total loss of their investment. Equally, the Group may not be able to control when large numbers of Ordinary Shares may be sold after Admission and any such sales could result in a material fall in the price of the Ordinary Shares.

Liquidity

The Company can give no assurance that an active trading market for the Ordinary Shares will develop or be maintained following Admission. If an active trading market is not developed or maintained, the liquidity and market price of the Ordinary Shares could be adversely affected.

Taxation

Part V of this document contains a summary of certain current UK and Gibraltar tax legislation, practice and concession and interpretation thereof. Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders or alter post tax returns to Shareholders. Furthermore, any change in the rates, manner or interpretation of taxation in overseas jurisdictions including any country in which the Company makes investments and to which members of the Group will be subject, may adversely affect the Group. Statements in this document concerning the taxation of investors in the Ordinary Shares are based on current tax law and practice which is subject to change.

Ordinary Shares available for future sale

The Company is unable to predict whether substantial amounts of Ordinary Shares will be sold in the open market following termination of the lock-in and orderly market restrictions. Any sales of substantial amounts of Ordinary Shares in the public markets or the perception that such sales might occur could materially adversely affect the market price of the Ordinary Shares.

Dilution of shareholders' interest as a result of additional equity fundraising and/or exercise of warrants and other convertible securities

The Group may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares. The Company may also issue shares as consideration shares on acquisitions or investments which would also dilute Shareholders' respective shareholdings. The Company has issued significant numbers of convertible securities such as warrants and may issue further convertible securities in the future; any exercise of such convertible securities will reduce the percentage ownership of the existing Shareholders.

Pre-emption rights

There are no pre-emption rights under the Gibraltar Act or incorporated into the Articles, as further described in paragraph 8 of Part V of this document. Shareholders could be diluted without a requirement to obtain Shareholder approval for any such issue.

Forward looking statements

Certain statements within this document, including those contained in Part I of this document, constitute forward looking statements. Such forward looking statements involve risks and other factors which may cause the actual results, achievements or performance of the Group to be materially different from any future results, achievements or performance expressed or implied by such forward looking statements. Such risks and other factors include, but are not limited to, general economic and business conditions, changes in government regulation, currency fluctuations, competition, changes in development plans and the other risks described in this Part III. There can be no assurance that the results and events contemplated by the forward looking statements contained in this document will, in fact, occur. These forward looking statements are correct only as at the date of this document. The Company will not undertake any obligation to release publicly any revisions to these forward looking statements to reflect events, circumstances or unanticipated events occurring after the date of this document except as required by law or by regulatory authority.

Dividends

The Company has not paid dividends to date and the nature of the Company's business means that it is unlikely that the Directors will recommend a dividend in the early years following Admission. There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the Directors, and will depend upon, amongst other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

Although the Board intends to pay dividends to Shareholders in the future in line with its dividend policy as further detailed in paragraph 15 of Part I of this document, there can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

City Code

The City Code will not apply to the Company as further described in Part I and Part V of this document, and therefore any takeover of the Company will be unregulated by UK takeover authorities. Shareholders may not therefore be afforded the protections of the City Code as they might have been if they were shareholders in a company where a takeover is regulated by the Takeover Panel.

The Company is governed by the Gibraltar legislation which regulates the takeover of Gibraltar registered public companies. The Companies (Cross-Border Mergers) Regulations 2010 transpose Directive 2005/56/EC of the European Parliament and of the Council of 26 October 2005 on cross-

border mergers of limited liability companies into the law of Gibraltar. These regulations are designed to facilitate cross-border mergers of limited liability companies and to allow for cross-border merger of a national limited liability company with a limited liability company of another member state. Takeovers of a Gibraltar registered public company can also take place via a scheme of arrangement pursuant to sections 295 to 352A of the Gibraltar Act.

Disclosure Rules and Transparency Rules

As the Company is incorporated in Gibraltar, Shareholders are not obliged to disclose their interests in the Company in the same way as shareholders of certain companies incorporated under English law and regulation, specifically the Disclosure Rules and Transparency Rules. In particular, the relevant provisions of chapter 5 of the Disclosure Rules and Transparency Rules do not apply. However, the Articles contain provisions requiring the disclosure of voting rights in Ordinary Shares which are similar to the provisions of the Disclosure Rules and Transparency Rules. Article 70 of the Articles requires that Shareholders comply with Rule 17 of the AIM Rules for Companies, but this may not always ensure compliance with the requirements of Rule 17 of the AIM Rules for Companies. Furthermore, the Articles may be amended by a resolution of the Shareholders.

Gibraltar company law

The Company is a company incorporated in Gibraltar. As a result, the rights of the Shareholders will be governed by the laws of Gibraltar and the Memorandum and Articles of the Company and not by UK company law.

Suitability

The investment described in this document may not be suitable for all those who receive it. Before making a decision investors who are in any doubt are advised to consult their stockbroker, bank manager, solicitor or accountant or any other professional adviser authorised under FSMA who specialises in advising on the acquisition of shares or other securities in the United Kingdom.

Investors should therefore consider carefully whether an investment in the Company is suitable for them in the light of the risk factors outlined above, their personal circumstances and the financial resources available to them.

The risks listed above do not necessarily comprise all those faced by the Group and are not intended to be presented in any order of priority.

PART IV
FINANCIAL INFORMATION

**SECTION A : ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL
INFORMATION OF CENTRE POINT DEVELOPMENT CORP.**

Nexia Smith & Williamson

The Directors
PCG Entertainment Plc
G1 Haven Court
5 Library Ramp
GIBRALTAR

The Directors
Sanlam Securities UK Limited
10 King William Street
London
EC4N 7TW

11 August 2015

Dear Sirs

Center Point Development Corp (“the Target”)

We report on the historic financial information relating to Center Point Development Corp for the years ended 31 December 2012, 31 December 2013 and 31 December 2014 (the “Historic Financial Information”) set out on pages 56 to 67 of this document. This Historic Financial Information has been prepared for inclusion in the AIM Admission Document dated 11 August 2015 (“the Admission Document”) of PCG Entertainment Plc (“the Company”) on the basis of the accounting policies set out in note 1 to the Historic Financial Information. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that schedule and for no other purpose. Save for any responsibility arising under Schedule Two of the AIM Rules to any person as and to the extent provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules, consenting to its inclusion in the Admission Document.

Responsibility

The Directors of PCG Entertainment Plc are responsible for preparing the Historic Financial Information on the basis of preparation set out in note 1 to the Historic Financial Information.

It is our responsibility to form an opinion on the financial information as to whether the Historic Financial Information gives a true and fair view, for the purposes of the AIM Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial

information and whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud, other irregularity or error.

Opinion

In our opinion, the Historic Financial Information gives, for the purposes of the AIM Admission Document dated 11 August 2015, a true and fair view of the state of affairs of Center Point Development Corp. as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 1 to the Historic Financial Information.

Declaration

For the purposes of Paragraph a of Schedule Two of the AIM Rules, we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Nexia Smith & Williamson

Chartered Accountants

Registered Auditors

25 Moorgate

London

EC2R 6AY

SECTION A : HISTORICAL FINANCIAL INFORMATION OF CENTRE POINT DEVELOPMENT CORP.

INCOME STATEMENT

	Notes	Year ended 31 December 2012 US\$'000	Year ended 31 December 2013 US\$'000	Year ended 31 December 2014 US\$'000
Continuing operations:				
Revenue	1,5	—	1,305	9,400
Cost of sales		—	(840)	(6,483)
Gross profit		—	465	2,917
Administrative expenses	6	(284)	(611)	(611)
Profit/(loss) before taxation		(284)	(146)	2,306
Taxation	7	—	—	—
Profit/(Loss) for the financial period		(284)	(146)	2,306
<i>Earnings per share</i>				
Basic, profit/(loss) for the year attributable to ordinary equity holders		(5.68)	(2.92)	46.12

STATEMENT OF CHANGES IN EQUITY

	Share capital US\$'000	Retained earnings US\$'000	Total US\$'000
Balance at 1 January 2012	50	(1,192)	(1,142)
Comprehensive loss for the financial year	—	(284)	(284)
	50	(1,476)	(1,426)
Balance at 31 December 2012	50	(1,476)	(1,426)
Comprehensive loss for the financial year	—	(146)	(146)
Balance at 31 December 2013	50	(1,622)	(1,572)
Comprehensive profit for the financial period	—	2,306	2,306
Balance at 31 December 2014	50	684	734

STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2012 US\$'000	31 December 2013 US\$'000	31 December 2014 US\$'000
ASSETS				
Current assets				
Trade and other receivables	8	—	311	2,127
Cash and cash equivalents		—	1	407
Total current assets		—	312	2,534
TOTAL ASSETS		—	312	2,534
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital	9	50	50	50
Retained earnings		(1,476)	(1,622)	684
Total equity attributable to equity holdings of the Company		(1,426)	(1,572)	734
Current liabilities				
Borrowings	11	1,426	1,659	—
Trade and other payables	10	—	225	1,800
Total liabilities		1,426	1,884	1,800
TOTAL EQUITY AND LIABILITIES		—	312	2,534

CASH FLOW STATEMENT

	Notes	Year ended 31 December 2012 US\$'000	Year ended 31 December 2013 US\$'000	Year ended 31 December 2014 US\$'000
Cash flow from operating activities	12	(327)	(232)	3,715
Cash flow from financing activities				
Cash advances and loans		—	—	(1,607)
Borrowings		327	233	(1,702)
Shares issued		—	—	—
Net cash inflow from financing activities		327	233	(3,309)
Net increase/(decrease) in cash and cash equivalents		—	1	406
Cash and cash equivalents at beginning of the period		—	—	1
Cash and cash equivalents at the end of the period		—	1	407

1. Accounting policies

The principal accounting policies adopted by the Company in the preparation of its Historical Financial Information for the year ended 31 December 2014 with comparatives for the years ended 31 December 2013 and 2012 as disclosed in the Accountants' Report within the Admission Document, are set out below. The accounting policies have been consistently applied, unless otherwise stated.

General information

Centre Point Development Corporation is incorporated in Belize. The registered office is No.35 New Road, P.O. Box 2204, Belize City, Belize.

Basis of preparation

The Historical Financial Information for the three years ended 31 December 2014 has been prepared solely for the purposes of the Admission Document and does not constitute audited statutory accounts (the "Historical Financial Information").

Accordingly, the Historical Financial Information, which has been prepared specifically by the Directors of PCGE for the purposes of the Admission Document in accordance with the AIM Rules for Companies and in accordance with this basis of preparation.

The above approach is consistent with the conventions contained with the Annexure to the Standards for Investment Reporting 2000 – Investment Reporting Standards Applicable to Public Reporting Engagements on Historical Financial Information, issued by the United Kingdom Auditing Practices Board ("SIR 2000").

The Historical Financial Information is prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union (EU) except in respect of the following matters:

- the Historical Financial Information does not constitute a set of general purpose financial statements under paragraph 3 of IFRS 1, "First-time Adoption of International Financial Reporting Standards" and consequently the Company does not make an explicit and unreserved statement of compliance with IFRS as contemplated by paragraph 16 of IAS 1, "Presentation of Financial Statements". A company is only permitted to apply the first-time adoption rules of IFRS 1 in its first set of financial statements where such an unreserved statement of compliance has been made. Although such a statement has not been made here, the Historical Financial Information has been prepared as if the date of transition to IFRS was from the transition date, that being 1 January 2011, the beginning of the first period presented, and the requirements of IFRS 1 have been applied since that date. In other respects IFRS as adopted by the EU have been applied.

The Historical Financial Information has been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Going concern

The Company reported an operating profit for the year ended 31 December 2014. Accordingly, they consider it appropriate to continue to prepare the Historical Financial Information on a going concern basis.

Standards, interpretations and amendments to published standards that are not yet effective

The following standards and interpretations issued by the IASB or IFRSIC have not been adopted by the Company as they were not effective for the year ended 31 December 2014. The Company is currently assessing the impact of these standards and interpretations will have on the presentation of, and recognition in, its results in future periods.

- IFRS 9 – Financial Instruments (effective for accounting periods beginning on or after 1 January 2015). IFRS 9 has not yet been endorsed for use in the EU.

- Amendment to IAS 19 – Defined Benefit Plans: Employee Contributions (effective for accounting periods beginning on or after 1 July 2014). This amendment has not yet been endorsed for use in the EU.
- IFRS 14 – Regulated Deferral Accounts (effective for accounting periods beginning on or after 1 January 2016). IFRS14 has not yet been endorsed for use in the EU.
- Amendments to IAS16 – Property, Plant and equipment and IAS38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation (effective for accounting periods beginning on or after 1 January 2016). These amendments have not yet been endorsed for use in the EU.
- Amendment to IFRS11: Acquisition of an Interest in a Joint Operation (effective for accounting periods beginning on or after 1 January 2016). This amendment has not yet been endorsed for use in the EU.
- Amendments to IAS27 – Separate Financial Statements (effective 1 January 2016). These amendments have not yet been endorsed for use in the EU.
- IFRS15 – Revenue from Contracts with Customers (effective 1 January 2017). IFRS15 has not yet been endorsed for use in the EU.
- IFRS 9 – Financial Instruments (effective 1 January 2018). IFRS9 has not yet been endorsed for use in the EU.

The financial information of the Company entity is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The Historical Financial Information of the Company is presented in United States Dollars (“US\$”), which is the presentation currency for the Historical Financial Information.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in accordance with the Company’s principal activities, net of sales taxes.

Foreign currency translation

The presentational currency for the Company’s Historical Financial Information is the same as its functional currency, United States dollars.

Foreign currency transactions by the Company are recorded in the functional currency at the rate ruling on the date of the transaction.

Monetary assets and liabilities are translated at rates in effect at the balance sheet date, with any exchange adjustments being charged or credited to the income statement.

In the cash flow statement, cash flows denominated in foreign currencies are translated into the presentational currency of the Company at the average exchange rate for the year or at the prevailing rate at the time of the transaction where more appropriate.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Taxation

The taxation ('tax') expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax for each taxable entity in the Company is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the balance sheet date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred tax

Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates and laws that have been enacted (or substantially enacted) by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax liabilities are provided in full.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Equity

Equity comprises the following:

- "Share capital" represents amounts subscribed for shares at nominal value.
- "Retained earnings" represents the accumulated profits and losses attributable to equity shareholders.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year / period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for trade and other receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired.

In determining this, management makes judgment as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates.

Where there is objective evidence of impairment, management makes judgment as to whether an impairment in value should be recorded in the income statement. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

The allowance policy for doubtful debts of the Company is based on the ageing analysis and management's ongoing evaluation of the recoverability of the outstanding receivables. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the assessment of the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of CPDC's trade and other receivables as at 31 December 2012, 31 December 2013 and 31 December 2014 were US\$0.043 million, US\$0.354 million and US\$2.217 million respectively.

2. Financial Risks

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow risk), credit risk and liquidity risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the Company's financial performance.

(a) Market risk

Foreign exchange risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to cash being held in currencies different to its functional currency.

Fair value interest rate risk and cash flow risk

The fair values of financial assets and financial liabilities approximate the carrying amounts of those assets and liabilities reported in the statements of financial position.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as committed transactions. Management assess the other factors. Individual risk limits are set based on limits set by the board.

(c) Liquidity risk

The overriding financial risk to the Company during the year was that of liquidity. At the current stage of the Company's major source of funds is likely to be through the injection of new equity capital or a debt facility, or a combination of such sources.

3. Operating Segments

The Company is a provider of money management services. The Company's revenue and profit before taxation will be derived from its principal activity. Revenues are currently derived from external customers based in Asia. The Company's operations are based in Asia and its assets and liabilities relate to this single business segment.

4. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

There are no convertible securities that would have a diluting effect on EPS.

5. Profit or loss from operations

The profit or loss from operations in the period under review has been arrived at after charging the following amounts:

	Year ended 31 December 2012 US\$'000	Year ended 31 December 2013 US\$'000	Year ended 31 December 2014 US\$'000
Director's remuneration	120	160	160

6. Staff costs

	Year ended 31 December 2012 US\$'000	Year ended 31 December 2013 US\$'000	Year ended 31 December 2014 US\$'000
Salaries	120	392	392
Staff subsistence	2	5	5

7. Taxation

	Year ended 31 December 2012 US\$'000	Year ended 31 December 2013 US\$'000	Year ended 31 December 2014 US\$'000
Current tax charge for the year	—	—	—

The charge for the period can be reconciled to the profit or loss per the income statements as follows:

	As at 31 December 2012 US\$'000	As at 31 December 2013 US\$'000	As at 31 December 2014 US\$'000
(Loss)/profit before taxation	(284)	(146)	2,306
Profit multiplied by standard rate of corporation tax of 0 per cent.	—	—	—
Total tax charge	—	—	—

8. Trade and other receivables

	As at 31 December 2012 US\$'000	As at 31 December 2013 US\$'000	As at 31 December 2014 US\$'000
Trade receivables	—	311	477
Amounts due from parent undertaking	—	—	1,650
	—	311	2,127

There are no trade or other receivables past their due date and the Directors consider that the carrying amount of trade and other receivables approximates their fair value.

9. Share Capital

	As at 31 December 2012 US\$'000	As at 31 December 2013 US\$'000	As at 31 December 2014 US\$'000
Issued fully paid	50	50	50

50,000 ordinary shares of USD 1 each

10. Trade and other payables

	As at 31 December 2012 US\$'000	As at 31 December 2013 US\$'000	As at 31 December 2014 US\$'000
Trade payables	—	200	1,768
Other payables	—	25	32
	—	225	1,800

The Directors consider that the carrying amount of trade and other payables approximates their fair value.

11. Borrowings

	As at 31 December 2012 US\$'000	As at 31 December 2013 US\$'000	As at 31 December 2014 US\$'000
Amounts loaned by parent undertaking	1,426	1,659	—

12. Cash Flow from operating activities

	Year ended 31 December 2012 US\$'000	Year ended 31 December 2013 US\$'000	Year ended 31 December 2014 US\$'000
Profit/(Loss) before tax	(284)	(146)	2,306
Expense settled by share issue	—	—	—
(Increase)/decrease in debtors	—	(311)	(166)
Increase/(decrease) in creditors	(43)	225	1,575
Increase/(decrease) in deposits	—	—	—
Cash flow from operating activities	(327)	(232)	3,715

13. Financial Instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

	As at 31 December 2012 US\$'000	As at 31 December 2013 US\$'000	As at 31 December 2014 US\$'000
Trade and other receivables	43	354	2,127
Cash and cash equivalents	—	1	407
Trade and other payables	—	225	1,800
Borrowings	1,469	1,702	—

Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

Derivatives, financial instruments and risk management

The Company does not use derivative instruments or other financial instruments to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

Liquidity Risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The principal liabilities of the Company arise in respect of trade and other payables. Trade and other payables are all payable within 12 months.

The Board receives cash flow projections on a regular basis as well as information on cash balances.

Interest Risk

The Company has no interest bearing financial instruments as at the balance sheet dates other than cash.

Foreign currency risk management

The Company holds cash in currencies other than that its functional currency.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure and the credit ratings of its trading counterparties are monitored by the board of directors to ensure that the aggregate value of transactions is spread amongst approved counterparties.

The Company's principal financial assets are cash and cash equivalents, trade debtors and other accounts receivables. Cash equivalents include amounts held on deposit with financial institutions.

The Company has no significant concentrations of credit risk. Cash is placed with established financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

14. Commitments

The Company had no capital commitments as at 31 December 2012, 2013 and 2014.

15. Contingencies

The Company had no material contingent liabilities as at 31 December 2012, 2013 and 2014.

16. Related Party Transactions

Certain of the Center Point Development Corp.'s transactions and arrangements are with related parties and the effect of these, on the basis determined between the parties, is reflected in the Historical Financial Information. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Kolarmy Technology Inc. holds the legal title to the entire issued ordinary share capital of Center Point Development Corp. and Kolarmy Technology Inc. holds the beneficial interest in a majority of the shares in CPDC; Kolarmy Technology Inc holds the legal title in the remaining shares in CPDC as bare trustee and nominee for and on behalf of the beneficial owners of such remaining shares in CPDC i.e. the CPDC Shareholders (excluding Kolarmy Technology Inc). Heng-Jui Lin, the director of Center Point Development Corp., holds a 100 per cent. interest in Kolarmy Technology Inc.

Kolarmy Technology Inc. had the following balances with the Company.

	As at 31 December 2012 US\$	As at 31 December 2013 US\$	As at 31 December 2014 US\$
Debtor	—	—	1,650,561
Creditor	1,426,080	1,658,906	—

Key management personnel are considered to be the Director of the Company, who has authority and responsibility for planning, directing and controlling the activities of the Company.

Key management personnel compensation is analysed as follows:

	Year ended 31 December 2012 US\$	Year ended 31 December 2013 US\$	Year ended 31 December 2014 US\$
Short-term employee benefits	120,000	160,000	160,000

17. Ultimate Controlling Party

At 31 December 2012, 2013, and 2014, the ultimate controlling party was considered to be Heng-Jui Lin.

18. Subsequent events

At 28 February 2015 the amount owed to the Company by Kolarmy Technolgy Inc. was US\$3,282,801.

At that date, the Company also owed one of its suppliers, Kenmore Ventures Limited, US\$2,707,506.

On 27 March 2015 the Company, Kolarmy Technology Inc., and Kenmore Ventures entered into an agreement whereby CPDC was irrevocably and unconditionally released from its obligations in connection with this debt to Kenmore Ventures Limited at 28 February 2015, and all Kenmore Ventures Limited's rights against CPDC in respect of this debt were cancelled.

In addition Kolarmy Technology Inc. acquired all of the obligations and liabilities owed in connection with the debt. As a result, the amount owed by Kolarmy Technology Inc. to the Company has been reduced by US\$2,707,506.

SECTION B: UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The following unaudited pro forma statement of net assets of the Group (the “pro forma financial information”) is based on the consolidated net assets of the Group as at 31 December 2014, set out in the financial statements for the year ended on that date, and has been prepared to illustrate the effect on the consolidated net assets of the Group as if the acquisition of CPDC were completed at 31 December 2014.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group’s actual financial position or results. The pro forma financial information has been prepared on the basis set out in the notes below. The pro forma financial information in respect of the consolidated net assets of the Group is stated on the basis of the accounting policies set out in the financial statements for the year ended 31 December 2014.

	PCGE at 31 December 2014 Note 1 US\$'000	Part settlement of Kolarmy loan Note 2 US\$'000	Acquisition of CPDC Note 3 US\$'000	Admission costs Note 4 US\$'000	Pro forma net assets of the Enlarged Group US\$'000
ASSETS					
Non-current assets					
Intangible assets	3,500	—	—	—	3,500
Property, plant and equipment	12	—	—	—	12
	3,512	—	—	—	3,512
Current assets					
Trade and other receivables	981	—	2,127	—	3,108
Cash and cash equivalents	3,220	—	(3)	(1,176)	2,041
	4,201	—	2,124	(1,176)	5,149
TOTAL ASSETS	7,713	—	2,124	(1,176)	8,661
Current liabilities					
Borrowings	(965)	300	—	—	(665)
Trade and other payables	(1,729)	—	(1,800)	—	(3,529)
Total liabilities	(2,694)	300	(1,800)	—	(4,194)
NET ASSETS/(LIABILITIES)	5,019	300	324	(1,176)	4,467

Notes:

- The net assets of the Group at 31 December 2014 have been extracted without the material adjustment from the financial statements ended on that date.

Adjustments:

- The Company has allotted 3,145,643 new Ordinary Shares to Kolarmy, conditional on Admission, pursuant to a partial conversion of the Kolarmy Loan Note in the amount of US\$300,000.
- On 13 February 2015 the Company entered into an option agreement to acquire the entire issued share capital of Center Point Development Corp. at a price of up to US\$20m. The grant price of the option was US\$410,000 (“Option Price”) and was paid in cash. On exercise of the option the Company will pay an initial consideration of US\$10m, less the Option Price, payable in shares plus a further amount (if any) not to exceed US\$10m in accordance with the terms of the CPDC Acquisition Agreement (“Further Consideration”). Such Further Consideration (if any) shall be payable in shares in the Company. For the purpose of this pro forma financial information, the initial and Further Consideration is assumed to be wholly in shares.

The net assets of Center Point Development Corp. have been extracted without material adjustment from the historical financial information in Part IV.

- The estimated expenses of the Admission are US\$1,176,000.

No account has been taken of the financial performance of the Group since 31 December 2014, nor of any event save as disclosed above.

PART V

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Directors of the Company, whose names and functions appear on page 8 of this document, and the Company accept responsibility for the information contained in this document, including those items incorporated by reference. To the best of the knowledge and belief of the Directors (having taken all reasonable care to ensure that such is the case) and the Company the information contained in this document, including those items incorporated by reference, for which they are responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 Nexia Smith & Williamson accepts responsibility for its reports contained in each of sections A and B of Part IV of this document. To the best of the knowledge of Nexia Smith & Williamson, which has taken all reasonable care to ensure that such is the case, the information contained in such reports is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

- 2.1 The Company was incorporated as a public company limited by shares in Gibraltar under the Gibraltar Companies Act 1930, on 25 May 2012, with the name “PCG Entertainment PLC” and with registered number 107915. PCG Entertainment PLC is both the Company’s legal and commercial name. The Company is governed by its Memorandum and Articles and the principal legislation under which the Company operates is the Gibraltar Act.
- 2.2 The issued share capital of the Company is £1,062,147.877 divided into 1,062,147,877 Ordinary Shares which are all fully paid. The par value of each Ordinary Share is £0.001.
- 2.3 The Company is domiciled in Gibraltar. The Company’s registered office and principal place of business is at G1 Haven Court, 5 Library Ramp, Gibraltar. The telephone number of the Company’s registered office is +350 200 78949. Its website address is www.pcge.com. Information displayed on the Company’s website does not constitute a part of this document.

3. The Group

The Company conducts its operations through the following subsidiaries, WFOE and VIE arrangements:

3.1 Non-PRC subsidiaries:

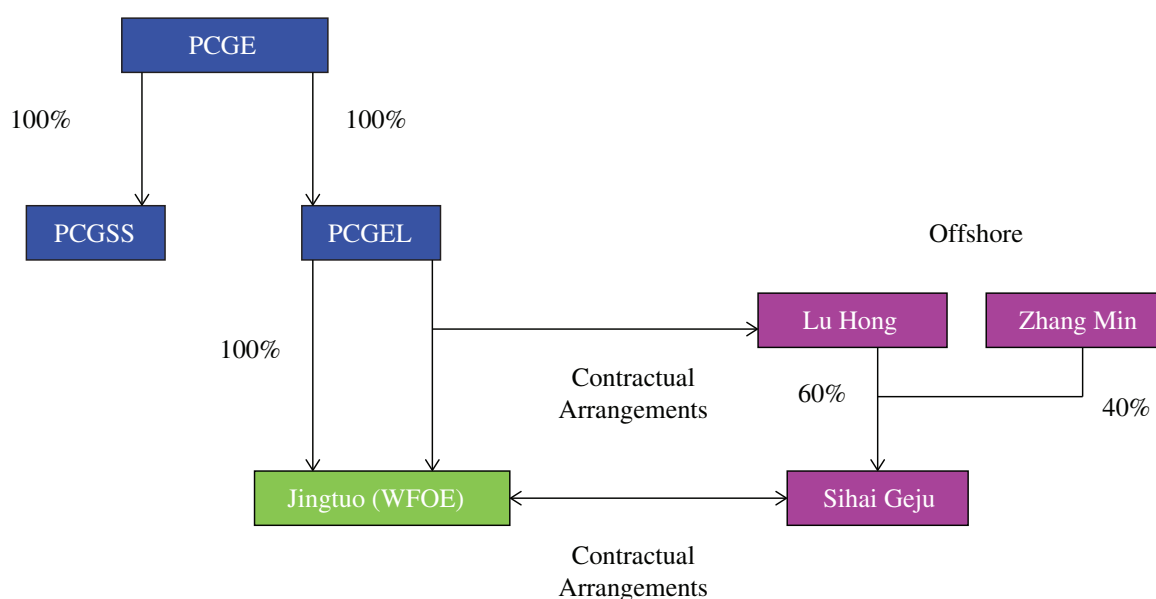
- 3.1.1 PCG Entertainment Ltd (formerly named Hong Kong Strategic Services Limited, a wholly owned subsidiary incorporated on 8 August 2011 in Hong Kong with company number 1656551 whose principal activity is an intermediate holding company.
- 3.1.2 PCG Software Services Limited, a wholly owned subsidiary incorporated on 17 June 2014 in Gibraltar with company number 111671 whose principal activity is to act as an intermediate holding company. PCGSS had its name changed from damson pr limited on 19 February 2015. PCGSS was acquired by the Company from Solent Nominees Limited on 19 March 2015 pursuant to the PCGSS Share Sale Agreement.

3.2 PRC WFOE and VIE:

- 3.2.1 Jingtuo World Technology Consulting (Beijing) Limited (“**Jingtuo**”), a WFOE incorporated on 25 February 2013 in PRC with company number 110000450228485. Jingtuo is a wholly owned subsidiary of PCGEL, and Jingtuo’s principal activity is to engage in the VIE Arrangements further details of which are set out in paragraph 9.38 of this Part V.

3.2.2 Beijing Sihai Geju Cultural Media Company Limited (“**Sihai Geju**”), a privately owned company incorporated on 2 March 2009 in PRC with company number 110105011720665 over which the Company exercises control in accordance with the VIE Arrangements described in paragraph 9.38 of this Part V. The principal activity of Sihai Geju is to hold and exploit the Licences further details of which are set out in paragraph 2 of Part II of this document. The current registered shareholders of Sihai Geju as at the date of this document are Lu Hong and Zhang Min, both Chinese nationals and residents of the PRC, and who own 60 per cent. and 40 per cent. of the equity share capital in Sihai Geju respectively.

3.3 The following diagram illustrates the Group structure as at the date of this document:



Following completion of the Acquisition, CPDC will be a wholly owned subsidiary of PCGSS. Please refer to paragraph 9.38 of this Part V for further details of the VIE Arrangements.

4. Share Capital of the Company

4.1 The Company is the holding company of the Group.

4.2 The authorised and issued share capital of the Company (all of which is fully paid up unless otherwise stated) (i) at the date of this document and (ii) on Admission is/will be:

	Authorised share capital		Issued share capital	
	Number of Ordinary Shares	Amount	Number of Ordinary Shares	Amount
At the date of this document	3,000,000,000	£3,000,000	1,062,147,877	£1,062,147.877
On Admission	3,000,000,000	£3,000,000	1,180,438,344	£1,180,438.344

As at 31 December 2014, being the date of the most recent balance sheet incorporated by reference in this document, the issued Ordinary Share capital was £1,062,147.877 of which 1,062,147,877 Ordinary Shares were issued and fully paid.

4.3 Changes in the share capital of the Company preceding the date of this document are as follows:

4.3.1 On incorporation the authorised share capital of the Company was £1,000,000 divided into 1,000,000,000 ordinary shares of £0.001 each.

4.3.2 On 25 May 2012, 7 Ordinary Shares were subscribed for as follows:

Subscriber	Number of Ordinary Shares
Ashton Nominees Inc	1
Black Swan FZE	1
Black Swan Plc	1
Gnat Holdings Limited	1
Richard Poulden	1
Solent Nominees Limited	1
St Cloud Capital S.A.	1

4.3.3 On 26 September 2013, resolutions were passed by the members of the Company authorising the Directors to allot up to a maximum aggregate amount of 999,999,993 shares on a non pre-emptive basis without further Shareholder approval until 26 September 2018.

4.3.4 On 14 November 2014, resolutions were passed by the members of the Company authorising the Directors to allot up to a maximum aggregate amount of 2,999,999,993 shares on a non-pre-emptive basis without further Shareholder approval until 14 November 2019. Such authorisation is in substitution for the authority granted to the Directors on 26 September 2013.

4.3.5 On 18 December 2013 the Company allotted and issued 373,657,097 ordinary shares of £0.001 each to Forbidden City Ltd and 373,657,096 ordinary shares of £0.001 each to Black Swan Plc in settlement of two identical invoices for £1,494,628.38 each covering set up costs, corporate finance advice and general investment costs incurred in the creation of the Group's underlying businesses over a three year period.

4.3.6 On 21 December 2013 the Company allotted and issued 2,685,807 ordinary shares of £0.001 each pursuant to the PCGEL Share Sale Agreement in the following proportions (further details of which are set out in paragraph 9.17 of Part V of this document):

- (a) 222,581 to Castor Trade Limited
- (b) 148,388 to Norco Investments Limited
- (c) 348,702 to LOM Nominees Limited
- (d) 816,132 to Avance Development Corp
- (e) 1,112,907 to Kolarmy Ventures Inc.
- (f) 37,097 to Mr. Abdulmajid Faraidooni

4.3.7 On 17 September 2014 the Company allotted 10,000,000 ordinary shares of £0.001 each to Ashton Nominees Inc belonging to the Malvern Trust, a trust in respect of which Richard Poulden's family can be beneficiaries.

4.3.8 On 10 October 2014 the Company allotted and issued 107,100,000 ordinary shares of £0.001 each in the following proportions:

- (a) 85,680,000 to Kaitian Investment Company Limited
- (b) 10,710,000 to Jingo Investments Limited
- (c) 10,710,000 to Zippy Management Limited

4.3.9 On 14 November 2014 the Company's authorised share capital was increased to £3,000,000 divided into 3,000,000,000 ordinary shares of £0.001 each.

4.3.10 On 28 November 2014 the Company entered into a subscription agreement with YTB (acting as duly authorised agent and trustee of the subscribers named therein) in respect of the allotment of 32,500,000 new Ordinary Shares for an aggregate subscription

amount of US\$3,100,000 in connection with Original Admission. Please refer to paragraph 9.25 of this Part V for further details.

- 4.3.11 On 28 November 2014 in connection with Original Admission the Company allotted 56,833,334 new Ordinary Shares and granted 113,666,668 warrants. On 28 November 2014 the Company allotted the PCGEL Further Consideration Shares. On 28 November 2014 the Company allotted the Yorkville Implementation Fee Shares.
- 4.3.12 Pursuant to the Yorkville SEDA referred to in paragraph 9.27 of this Part V, the Company may draw down funds from time to time over a period of up to three years from the relevant date referred to therein in exchange for the issue of new shares in the capital of the Company, up to a maximum aggregate amount of £2 million. The Yorkville SEDA provides for new Ordinary Shares to be issued pursuant to advance notices issued by the Company, ranking *pari passu* in all respects with the Ordinary Shares then in issue, including the right to receive all dividends and other distributions declared, made or paid up after the date of issue on the Ordinary Shares.
- 4.3.13 Pursuant to the Original Sanlam Securities Warrant Agreement dated 28 November 2014 referred to in paragraph 9.3 below, the Company granted warrants to Sanlam Securities to subscribe for 11,443,581 new Ordinary Shares in connection with Original Admission.
- 4.3.14 Pursuant to the Original Beaufort Warrant Agreement dated 28 November 2014 referred to in paragraph 9.4 below, the Company granted warrants to Beaufort Securities to subscribe for 1,216,667 new Ordinary Shares in connection with Original Admission.
- 4.3.15 On 9 December 2014 the Company issued the Framework Agreement Consideration Shares to Beaufort Nominees Limited to be held by such company (remaining in the custody of PCGE) pending delivery in accordance with and pursuant to the Framework Agreement as described in paragraph 9.20 of Part V of this document.
- 4.3.16 On 11 August 2015, the Company allotted the Initial Consideration Shares pursuant to the CPDC Acquisition Agreement as described in paragraph 9.15 of Part V conditional on Admission.
- 4.3.17 On 11 August 2015 the Company allotted the Kolarmy Conversion Shares and the Damson Shares conditional on Admission.
- 4.4 The authorised share capital of the Company at the date of this document and immediately following Admission will be £3,000,000 divided into 3,000,000,000 Ordinary Shares of which 1,062,147,877 Ordinary Shares have been issued, credited as fully paid, as at the date of this document and it is anticipated that immediately following Admission the issued share capital will be £1,180,438.344 comprising 1,180,438,344 Ordinary Shares, credited as fully paid.
- 4.5 The authorised but unissued share capital of the Company immediately following Admission will be £1,819,561.656 representing approximately 60.7 per cent. of the authorised share capital and approximately 154.1 per cent. of the issued share capital.
- 4.6 Under the Articles, the Directors are not permitted to allot and issue any shares above the authorised share capital of £3 million without first seeking Shareholder approval to increase the share capital of the Company. Shareholder approval can, however, be given in the form of a resolution of the members in a general meeting, authorising the exercise generally by the Directors of power to allot shares for up to a five year period. Resolutions were passed by the members on 26 September 2013 authorising the Directors to allot up to a maximum aggregate amount of 999,999,993 shares on a non-pre-emptive basis without further Shareholder approval until 26 September 2018. Additional resolutions were passed by the members on 14 November 2014 authorising the Directors to allot up to a maximum aggregate amount of 2,999,999,993 shares on a non-pre-emptive basis without further Shareholder approval until 14 November 2019. The authorisation given to the Directors on 14 November 2014 is in substitution for the authority granted to the Directors on 26 September 2013.

- 4.7 Save as disclosed in this document, no commissions, discounts, brokerages or other special terms have been granted by the Company or its subsidiaries in connection with the issue or sale of any share or loan capital of the Company or its subsidiaries.
- 4.8 Save as disclosed in this document, there are no shares in the Company which are held by, or on behalf of, the Company and the Company's subsidiaries do not hold any shares in the Company, nor were there as at 31 December 2014.
- 4.9 2,685,807 of the Ordinary Shares issued by the Company in connection with Original Admission were issued for non-cash consideration in respect of the PCGEL Share Sale Agreement. In addition, the PCGEL Further Consideration Shares have been allotted. In October 2014, the Company issued 107,100,000 Ordinary Shares in settlement of an invoice in the sum of US\$280,000 in respect of advisory services (please see paragraph 9.31 of this Part V for further details). In addition, on 9 December 2014 pursuant to the Framework Agreement, the Company issued the Framework Agreement Consideration Shares. In addition, the Kolarmy Conversion Shares and the Damson Shares have been allotted conditional on Admission. Please refer to paragraphs 9.11 and 9.30 of this Part V for further details. In addition, the Initial Consideration Shares have been allotted conditional on Admission. The Company may be required to issue further Ordinary Shares in accordance with the Kolarmy Loan Note and /or the Company may issue Further Consideration Shares. Please refer to paragraph 9.11 and 9.15 of this Part V for further details. Please also refer to paragraph 14 of this Part V and the financial information incorporated by reference in this document for other instances where the Company has issued Ordinary Shares for non-cash consideration.
- 4.10 Save as disclosed in this document no person has any rights to purchase the authorised but unissued capital of the Company and no person has been given an undertaking by the Company to increase its authorised capital.
- 4.11 No shares in the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 4.12 The Ordinary Shares are in registered form. Following Admission, the Ordinary Shares may be held in either certificated form or, through Depositary Interests, in uncertificated form and may be delivered, held and settled in CREST by means of the creation of dematerialised Depositary Interests representing such Ordinary Shares, details of which are set out in paragraph 21 of this Part V. A register of Ordinary Shares will be maintained by the Registrar and a register of Depositary Interests will be maintained by the Depositary Interest Registrar.
- 4.13 The Company had 1,062,147,877 Ordinary Shares in issue on the date of this document. Save as disclosed in this document including those items incorporated by reference (in particular in this Part V), the Company has not used more than 10 per cent. of the issued share capital for the purchase of assets other than cash or settlement of liabilities payable in cash during the period of the financial information set out in Part IV of this document.
- 4.14 Save as disclosed in this document including those items incorporated by reference (as at the date of this document and as at 31 December 2014):
- 4.14.1 the Company does not have in issue any securities not representing share capital nor are there any outstanding convertible securities issued by the Company; and
- 4.14.2 no share capital of the Company is under option or has been granted conditionally or unconditionally to be put under option.
- 4.15 Save as disclosed in this document including those items incorporated by reference, there are no acquisition rights and or obligations over authorised but unissued capital in the Company or an undertaking to increase the capital of the Company, nor were there as at 31 December 2014.
- 4.16 Pursuant to and in accordance with the CPDC Acquisition Agreement, the Company may pay Further Consideration by issuing and allotting to the Vendors the Further Consideration Shares.

4.17 The Ordinary Shares are created under the Gibraltar Act.

4.18 The ISIN number for the Ordinary Shares and Depositary Interests is GI000A1171Y8.

5. Disclosure of Interests

5.1 Directors' and other interests

5.1.1 As at the date of this document and immediately following Admission, the interests (including related financial products as defined in the AIM Rules for Companies) of the Directors (including persons connected with the Directors within the meaning of section 252 of the Act) in the issued share capital of the Company are as follows:

Name of Shareholders	At the date of this document		On Admission	
	Number of Ordinary Share	Percentage of Existing Share Capital	Number of Ordinary Shares	Percentage of Enlarged Share Capital
Richard Poulden ¹	137,282,026	12.92	137,282,026	11.63
Clive Hyman ²	1,000,000	0.09	1,000,000	0.08
Nicholas Bryant ³	10,000,000	0.94	10,000,000	0.85
Kung Min Lin ⁴	150,654,654	14.18	150,654,654	12.76
Michael Mainelli ⁵	250,000	0.02	250,000	0.02
Alan Gravett ⁶	100,000	0.01	100,000	0.01

Notes

¹ Richard Poulden is deemed to be interested in the Ordinary Shares (or depositary interests in respect thereof) referred to above as follows (all of such Ordinary Shares, registered via DIs, in the name of Ashton Nominees Inc other than the 1 Ordinary Share registered in the name of Black Swan FZE, the 1 Ordinary Share registered in Richard Poulden's own name and the 15,000,001 Ordinary Shares registered in the name of Black Swan Plc as referred to below):

(a) 1 Ordinary Share belongs to Richard Poulden;

(b) 1 Ordinary Share belongs to Black Swan FZE which is a wholly owned subsidiary of Black Swan Plc of which Richard Poulden is the chairman and controls a majority of the shares;

(c) 15,000,001 Ordinary Shares belong to Black Swan Plc of which Richard Poulden is the chairman and controls a majority of the shares;

(d) 15,000,000 Ordinary Shares belong to Richard Poulden's wife and infant children;

(e) 97,282,023 Ordinary Shares belong to the Malvern Trust, a trust in respect of which Richard Poulden's family can be beneficiaries; and

(f) 10,000,000 Ordinary Shares belong to the John Edward Poulden Settlement Trust, a trust for the benefit of Richard Poulden's children.

Black Swan FZE is a wholly owned subsidiary of Black Swan Plc of which Richard Poulden is chairman and controls a majority of the shares. Black Swan FZE holds 1 Ordinary Share and Black Swan Plc holds 15,000,001 Ordinary Shares.

² Clive Hyman is interested in 1,000,000 Ordinary Shares.

³ Nicholas Bryant is deemed interested in the 10,000,000 Ordinary Shares (or depositary interests in respect thereof) referred to above, such Ordinary Shares belong to Tonsley Trust, a trust for the benefit of Nicholas Bryant's family. All such Ordinary Shares, registered via DIs, in the name of Ashton Nominees Inc.

⁴ 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, is interested in 12,000,000 Ordinary Shares.

⁵ 250,000 Ordinary Shares are held by Hawksford Jersey Limited. These shares are held for The Z/Yen Employee Benefits Trust. Michael Mainelli is a director of Z/Yen Group Limited and a potential beneficiary of The Z/Yen Employee Benefits Trust.

⁶ Alan Gravett and his wife, Kim Gravett, jointly legally and beneficially own 100,000 Ordinary Shares.

5.1.2 Save as stated above or as otherwise disclosed in this document including those items incorporated by reference:

- (a) none of the Directors (nor any person connected with any of them within the meaning of section 227 of the Gibraltar Act or section 252 of the Act) has any interest, whether beneficial or non-beneficial, in the share or loan capital in the Group or in any related financial product (as defined in the AIM Rules for Companies) referenced to the Ordinary Shares;
- (b) there are no outstanding loans granted or guarantees provided by any member of the Group to or for the benefit of the Directors or provided by any Director to any member of the Group;
- (c) none of the Directors has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, any member of the Group;
- (d) none of the Directors has any option or warrant to subscribe for any shares in the Company; and
- (e) none of the Directors has any interest, direct or indirect, in any contract or arrangement which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole, which were effected by any member of the Group and which remains in any respect outstanding or unperformed.

5.1.3 Save for the material contracts described in paragraph 9 of this Part V, the consultancy agreements and letters of appointment referred to in paragraph 7 of this Part V, the lock-in arrangements referred to in paragraph 11 of this Part V and the related party transactions described in paragraph 14 of this Part V or as otherwise disclosed in this document including those items incorporated by reference, there are no agreements, arrangements or understandings between any of the Directors, recent Directors, Shareholders or recent Shareholders of the Company connected with or dependent upon Admission.

5.2 Major Shareholders

5.2.1 As at the date of this document and so far as the Directors are aware, other than the Directors and their connected persons (whose interests are set out in paragraph 5.1 of this Part V above), the persons set out below are at the date of this document and will immediately following Admission be interested (as defined in Part 6 of FSMA and the Disclosure Rules and Transparency Rules issued by the FCA), directly or indirectly, jointly or severally in three per cent. or more of the issued share capital of the Company:

Name of Shareholders	At the date of this document		Following Admission	
	Number of Ordinary Share	Percentage of Existing Share Capital	Number of Ordinary Shares	Percentage of Enlarged Share Capital
Heng Jui Lin ¹	98,858,209	9.31	158,152,538	13.40
Kaitian Investment Company	85,680,000	8.07	85,680,000	7.26

¹ As at the date of this document, Heng Jui Lin is deemed to be interested in the 98,858,209 Ordinary Shares (or depositary interests in respect thereof) referred to above and conditional on Admission, will be deemed to be interested in the 158,152,538 Ordinary Shares (or depositary interests in respect thereof) referred to above as follows:

- (a) 37,500,000 Ordinary Shares (or depositary interests in respect thereof) held in his own name;
- (b) 61,106,787, Ordinary Shares held (via Depositary Interests) by Kolarmy Technology Inc., a company owned and controlled by Heng Jui Lin;
- (c) 251,422 Ordinary Shares held (via Depositary Interests) by Kolarmy Ventures Inc., a company owned and controlled by Heng Jui Lin;
- (d) 56,148,686 Ordinary Shares to be issued conditional on Admission to Kolarmy Technology Inc. as part of the Initial Consideration Shares; and
- (e) the 3,145,643 Kolarmy Conversion Shares, to be issued conditional on Admission.

5.2.2 Prior to and immediately following Admission, the voting rights of the Company's major Shareholders do not differ from the voting rights of any other Shareholder in the Company.

While the Articles provide for Shareholders to notify the Company of any holdings of three per cent. or more, as there are no requirements under the Gibraltar Act for the Directors or Shareholders who hold three per cent. or more of the Company's share capital to notify the Company of their interests in the Company's share capital or changes in such interests, the Company may not always know who holds three per cent. or more of the Company's share capital, and therefore the Company may not always be able to comply with Rule 17 of the AIM Rules for Companies. In addition, whilst Article 70 of the Articles requires that the Shareholders comply with Rule 17 of the Aim Rules for Companies; this may not always ensure compliance with the requirements of Rule 17 of the AIM Rules for Companies. Furthermore, the Articles may be amended by a resolution of the Shareholders.

6. Additional Information on the Directors

6.1 The Directors hold or have held the following directorships and/or partnerships (in addition, where relevant, to being a director of the Company or its subsidiaries) within the five years prior to the publication of this document:

Director	Present Directorships/ Partnerships	Past Directorships/ Partnerships
Richard Poulden	Black Swan Plc Black Swan FZE	Adavale Holdings Pty Ltd Casapayer Limited

<i>Director</i>	<i>Present Directorships/ Partnerships</i>	<i>Past Directorships/ Partnerships</i>
Richard Poulden (continued)	PCG Entertainment Limited (formerly named Hong Kong Strategic Services Limited) Wishbone Gold Plc Wishbone Gold Pty Ltd Wishbone Gold Tasmania Pty Ltd	Circle Resource Holdings Ltd CO2 Energy Storage Pty Ltd Derby Salt Pty Ltd Drummond Basin Phosphate Pty Ltd MoneySwap Plc MoneySwap Holdings Limited PCG Entertainment Plc (Isle of Man) PCG Software Services Limited Queensland Phosphate Ltd Queensland Potash Pty Ltd Sirius Exploration Limited Sirius Macedonia Limited Sirius Minerals Plc Sirius Potash Limited Sirius Resources Limited
Michael Mainelli	ExtZy Limited Financial Laboratory Limited Gresham College Indezy Limited The Council of Almoners of Christ's Hospital Wishbone Gold Plc XUMK Limited Z/Yen Adventures Limited Z/Yen Communications Limited Z/Yen Group Limited Z/Yen Holdings Limited Z/Yen Contents Limited Z/Yen Partners Limited Z/Yen Risk/Reward Limited Z/Yen Ventures Limited	Insenter Limited Sirius Minerals Plc The Strategic Planning society Weathersure Limited ZYen Limited
Alan Gravett	Alpha Beta Gamma Limited Alpha Beta Gamma Fund PCC Limited Black Swan Plc OneTime.World plc PCG Software Services Limited Wishbone Gold Plc	Acitcat Limited (formerly Tactica Management Limited) Aectra Commodities Limited Aectra Distributors Limited Affordable Developments Limited Allenwood Investments Limited Amber Properties Limited Argonaut Investments Limited Ashton Nominees Inc. Aspen Services LLC Baros Holdings Limited Bayswater Holdings LLC Beaverbridge Investments Limited Belgravia Investments LLC Benchfield Limited

<i>Director</i>	<i>Present Directorships/ Partnerships</i>	<i>Past Directorships/ Partnerships</i>
Alan Gravett (continued)		Bitecrest Limited Black Swan Plc Blue Mansion Limited Boldabbey Limited Braeside Properties Limited Broughton Advertising Limited Brunswick Investments Limited Cedric Investments Inc. Chapley Investments Limited Chelwood Limited Chinbrook Limited Churchley Properties Limited Commodore Holdings Limited Coverley Limited Cysne Properties Limited D & D Consulting Limited Davenport Properties Limited Dependable Foundation Limited, (The) Develica Asia Pacific Limited Develica Deutschland Limited Eagle Lake Properties Limited Elleron Properties Limited Evergreen Investments Group Inc. Forsyth Foundation Limited, (The) Foxholt Limited Garrison Developments Inc Gingerapple Limited Glenclose Holdings Limited Glenhurst Holdings Limited Goldacre Corporation Limited Greenslope Investments Limited Groveland Limited Half Crown Holdings Limited Hazeltree Limited Hideaway properties 2 Limited High Cliff Developments Limited Hillfern Developments Limited Hoylake Limited Jasmine Hill Holdings Limited JBM Investment Holdings Limited Khyber Limited Kings Lea Investments Limited Lacobriga Properties Limited Larkbay Limited Leecroft Limited Lemanse Limited Lenox Properties Inc.

<i>Director</i>	<i>Present Directorships/ Partnerships</i>	<i>Past Directorships/ Partnerships</i>
Alan Gravett (continued)		Library of Life (USA) Inc. Lithos Limited Longville Limited Lorac Limited MacNiven & Cameron Group Plc Madron Limited Magna Productions Limited Mamba Limited Martino trading Limited Marvel Foundation Limited (The) Matrix Developments Limited Medic Exchange Inc. Mollingburn Properties Limited Mortlake Limited Nauticon Limited New Century Holding Limited Nile Foundation Limited, (The) Northside Limited Northstar Invest Limited Norval Limited Novillo Investments Limited Nutmeadow Limited Ocean Holdings Group Limited Orangetown Alliance Inc. Pensfield Limited Pogo Investments Limited Portadown Limited Prime Management Limited Prime Nominees Limited Prime Secretaries Limited Prime Securities Limited Prime Trust Corporation Limited Pusan Limited Recife Investments Limited Sandcroft Limited Sandrift Limited Sandy Beach Holdings Limited Sandymount Limited Saturn 3 Limited Savage Property Limited Seagas Limited Searose Properties Limited Selmar Limited Semlex International Limited Silver Globe Inc. Sladstone Investments Limited Southton Limited Sovereign Consultancy Services Limited Specified Investments Limited Star Developments Limited

<i>Director</i>	<i>Present Directorships/ Partnerships</i>	<i>Past Directorships/ Partnerships</i>
Alan Gravett (continued)		Steventon Limited Sunborne Limited Tactica Fund PCC Plc Tactica Insurance Group Tawny Gold Investments Limited Terry Investments Limited Tollingfield Limited Tomsk Investments Ton Investments Limited Totara Investments Limited Transfield Limited Treadway Limited Trek Developments Limited Tristar Developments Limited Turnpike Investments Limited Tweson Company Limited Unconditional Holdings Limited Unitrade Properties Limited Upper Valley Properties Limited Westcroft Limited Wigley Holdings Limited Wigram Limited Woodara Property Limited Xander Limited Zealot Investments Limited
Nicholas Bryant	Electric Warrior Limited Lanner Estates Ltd Luup NV	Contosoft Luup International Luup IP Limited Luup Limited Luup Solutions AS MBC FZ LLC Txt TV Ltd
Clive Hyman	Hyman Capital Services Limited PCG Software Services Limited	Advanced Oncotherapy Plc CareCapital Limited CareCapital (Southampton) Limited damson pr limited (UK) HC Partners SPV1 Limited HC Procurement Solutions Limited Hyman Capital Services Limited Hyman Capital Financial Services Limited Hyman Capital Nominee Services Ltd Hyman Capital Telecoms Services Limited Kensington Partnership (Property) Ltd Petrol Ofisi AS

<i>Director</i>	<i>Present Directorships/ Partnerships</i>	<i>Past Directorships/ Partnerships</i>
Clive Hyman (continued)		The Healthcare Property Company (Allesley) Limited The Healthcare Property Company Wales Limited The Healthcare Property Company (West Wirral) Limited The Women's Cancer Centre Limited The CareCatalyst Limited Young Enterprise East of England Limited
Kung Min Lin	Forbidden City Investments MoneySwap Plc PCG Minerals Trading (HK) Ltd PCG Resources Plc Power Capital Financial Trading (HK) Limited Power Capital Forex Management Limited Power Capital Global Limited Power Capital Holdings Limited Wei Sheng Investment and Consultant Limited	Pan Asia Gold Exchange West China Precious Metals Exchange

- 6.2 Richard Poulden was a director of Dellfield Digital Limited at the time of its receivership in 1988. The company was dissolved in 2000.
- 6.3 Richard Poulden and Michael Mainelli were directors of Eyebright Plc when it was placed into administration by a resolution of the directors on 17 December 2004 due to it being unable to or unlikely to have been able to pay its debts.
- 6.4 Nicholas Bryant was a director of Luup Solutions AS (Norway) when it entered voluntary liquidation in 2014.
- 6.5 Nicholas Bryant was a director of Media Dimensions Limited when it was wound up by the Chancery Court on 30 June 1998 upon the petition of the Commissioners of Customs and Excise.
- 6.6 Richard Poulden was a director of PCG Entertainment PLC (Isle of Man) when it was struck off the Isle of Man Companies Registry on 21 January 2014 following the resignation on 20 June 2013 of its registered agent Charterhouse Lombard Limited. The company was struck off because it did not appoint a replacement agent.
- 6.7 Alan Gravett was appointed as a director of Tactica Insurance Group Plc and Tactica Assurance Limited (re-named OldCo (002) Limited) when these companies entered voluntary liquidation in May 2009. His only role was to organise the meetings to facilitate the liquidations of both companies. Alan Gravett was also a director of Acitcat Limited and Tactica Fund PCC Limited (“**Fund**”) which were placed into members’ voluntary liquidation on 15 June 2012. Tactica Fund PCC Limited was a licensed Experienced Investor Fund and Acitcat Limited its management company. The Fund transferred the underlying assets to investors and was subsequently wound up.
- 6.8 Save as disclosed in this document, none of the Directors has:
- 6.8.1 any unspent convictions relating to indictable offences;
 - 6.8.2 had a bankruptcy order made against him or entered into any individual voluntary arrangements;

- 6.8.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company at the time of, or within the twelve months preceding, such events;
 - 6.8.4 been a partner of a firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner of that firm at the time of, or within twelve months preceding, such events;
 - 6.8.5 had any asset belonging to him placed in receivership or been a partner of a partnership whose assets have been placed in receivership whilst he was a partner at the time of, or within twelve months preceding, such receivership; or
 - 6.8.6 been publicly criticised by any statutory or regulatory authority (including any recognised professional body) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 6.9 Save as disclosed in this document (including paragraphs 9 and 14 of this Part V and including those items incorporated by reference), no Director has been interested in any transaction with the Company, which was unusual in its nature or conditions or significant to the business of the Company during the current or previous financial year or during any previous financial year that remains outstanding or unperformed.
- 6.10 Save as disclosed in this document and including those items incorporated by reference, no loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 6.11 Save as disclosed in this document and including those items incorporated by reference, the Company is not aware of any person or persons who directly or indirectly, jointly or severally, exercise(s) or could exercise control of the Company or any arrangements the operation of which may, at a subsequent date, result in a change in the control of the Company.
- 6.12 Save as disclosed in this document and including those items incorporated by reference, there are no contracts, existing or proposed, between any Director and the Company or any subsidiary.
- 6.13 Save as disclosed in this document and including those items incorporated by reference, there is no arrangement under which any Director has agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

7. Directors' Consultancy Agreements and Directors' Letters of Appointment

- 7.1 The following are particulars of the Directors' consultancy agreements and letters of appointment with the Company, including details of the Directors' fees and remuneration:
- 7.1.1 Nicholas Bryant's services as Chief Executive Officer of the Company are provided pursuant to an agreement dated 28 November 2014 between the Company and Electric Warrior Limited. Pursuant to the agreement the Company agrees to pay Electric Warrior Limited a fee of US\$252,450 per annum, the Company may settle such fees through the issue of Ordinary Shares at the prevailing market price. The appointment is terminable on six months' notice by either party. Nichols Bryant was appointed as a Director on 9 June 2014.
 - 7.1.2 On 28 November 2014 Kung Min Lin agreed to act as Non-Executive Director and Chairman of the Company (the "Original Appointment") for a fee of US\$100,000 per annum, the Company may settle such fees through the issue of Ordinary Shares at the prevailing market price. The appointment is terminable on six months' notice by either side. Kung Min Lin was appointed as a Director on 9 December 2013.

- 7.1.3 Richard Poulden's services as Deputy Chairman are provided pursuant to an agreement dated 28 November 2014 between the Company and Black Swan FZE, a wholly owned subsidiary of Black Swan Plc of which Richard Poulden is chairman. Pursuant to the agreement the Company agrees to pay Black Swan FZE a fee of US\$100,000 per annum, the Company may settle such fees through the issue of Ordinary Shares at the prevailing market price. The agreement may be terminated on six months' notice by either party. Richard Poulden was appointed as a Director on 25 May 2012.
- 7.1.4 Clive Hyman's services as Chief Financial Officer of the Company are provided pursuant to an agreement dated 28 November 2014 between the Company and Hyman Capital Services Limited. Pursuant to the agreement the Company agrees to pay Hyman Capital Services Limited a fee of US\$130,000 per annum, the Company may settle such fees through the issue of Ordinary Shares at the prevailing market price. The appointment is terminable on six months' notice by either party. Clive Hyman was appointed as a Director on 9 June 2014.
- 7.1.5 Michael Mainelli's services as a Non-Executive Director of the Company are provided pursuant to an agreement dated 28 November 2014 between the Company and Z/Yen Group Limited. Pursuant to the agreement the Company agrees to pay Z/Yen Group Limited a fee of US\$20,000 per annum, the Company may settle such fees through the issue of Ordinary Shares at the prevailing market price. The appointment is terminable on three months' notice by either party. Michael Mainelli was appointed as a Director on 14 July 2014.
- 7.1.6 On 28 November 2014 Alan Gravett agreed to act as a Non-Executive Director of the Company for a fee of US\$12,500 per annum, the Company may settle such fees through the issue of Ordinary Shares at the prevailing market price. The appointment is terminable on three months' notice by either party. Alan Gravett was appointed as a Director on 25 May 2012.
- 7.2 Pursuant to each of the agreements referred to above, payment of fees and/or salary may be paid in Ordinary Shares as an alternative to cash, at the election of the Company.
- 7.3 Save as set out above, there are no existing or proposed service contracts between any of the Directors and the Company which provide for benefits upon termination of employment.

8. Summary of Memorandum and Articles of Association

The memorandum of association of the Company sets out a list of objects for which the Company has been established including acting as a general commercial company. For details of the objects, please see the copy of the memorandum of association of the Company which is available for inspection at the Company's website www.pcge.com.

The principal objective of this paragraph 8 is to provide an overview of the Articles. Because the information set out below is in summary form, it does not contain all the information that may be important. A copy of the Articles is available for inspection at the Company's website www.pcge.com.

The Articles were adopted with effect from the date of incorporation and amended on 14 November 2014. The following is a summary of certain provisions of the Articles:

8.1 Changes in capital

The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

The Company may by ordinary resolution:

- 8.1.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- 8.1.2 sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association subject, nevertheless, to the provisions of the Gibraltar Act;
- 8.1.3 cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
- 8.1.4 The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required, by law.
- 8.1.5 In summary, under the Articles, the Directors are not permitted to allot and issue any shares without first seeking Shareholder approval. Shareholder approval can, however, be given in the form of a resolution of the members in a general meeting, authorising the exercise generally by the Directors of power to allot shares for up to a five year period. Resolutions were passed by the members on 26 September 2013 authorising the directors to allot up to a maximum aggregate amount of 999,999,993 shares on a non pre-emptive basis without further Shareholder approval until 26 September 2018. Additional resolutions were passed by the members on 14 November 2014 authorising the Directors to allot up to a maximum aggregate amount of 2,999,999,993 shares on a non-pre-emptive basis without further Shareholder approval until 14 November 2019. The authorisation given to the Directors on 14 November 2014 is in substitution for the authority granted to the Directors on 26 September 2013.

8.2 **Transfer of shares**

The instrument of transfer of any share held in certificated form shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members in respect thereof.

Subject to such of the restrictions of the Articles as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form or any other form which the Directors may approve.

The Directors may decline to register the transfer of a share (not being a fully paid share) to a person of whom they shall not, acting reasonably, approve, and they may also decline to register the transfer of a share on which the Company has a lien.

The Directors may also decline to recognise any instrument of transfer unless:

- 8.2.1 the instrument of transfer of any certificated share is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; and
- 8.2.2 the instrument of transfer is in respect of only one class of share.

If the Directors refuse to register a transfer they shall within 2 months after the date on which the transfer was lodged with the Company send to the transferor and transferee notice of the refusal.

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended in any year for more than 30 days or, where the period for closing the register of members is extended in respect of that year under the Gibraltar Act, for more than that extended period.

The Company shall be entitled to charge a fee not exceeding £1 on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, or other instrument.

8.3 **Procedure for calling general meetings**

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it;

and not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Directors shall appoint.

All general meetings other than annual general meetings shall be called extraordinary general meetings.

The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by the Gibraltar Act. If at any time there are not within Gibraltar sufficient Directors capable of acting to form a quorum, any Director or any one member of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

An annual general meeting and a meeting called for the passing of a special resolution shall be called by 21 days' notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by 14 days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under the Articles, entitled to receive such notices from the Company.

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in the Articles, be deemed to have been duly called if it is so agreed:

8.3.1 in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and

8.3.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy.

No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

On a poll votes may be given either personally or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place within Gibraltar as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

8.4 Qualification of Directors

The shareholding qualification for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required.

8.5 Borrowing powers

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge all or any part of its undertaking, property and assets (both present and future), including its uncalled capital and, subject to the Gibraltar Act, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

8.6 Directors' remuneration

The remuneration of the Directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

8.7 Directors' interests

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract (being a contract of significance in relation to the Company's business) with the Company shall, if his interest in the contract or proposed contract is material, declare the nature of his interest at a meeting of the Directors in accordance with the Gibraltar Act.

A Director, having declared the nature of his interest at a meeting of the Directors, may vote in respect of a matter in which he is so interested and may be counted in the quorum of that meeting.

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to

remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

8.8 Retirement of Directors

Subject to the provisions in the Articles, at the annual general meeting of the Company to be held in 2012, and at the annual general meeting in every subsequent year, one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest one third, shall retire from office.

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

A retiring Director shall be eligible for re-election.

The Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Director shall if offering himself for re-election be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

No person other than a Director retiring at the meeting shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless not less than 3 nor more than 21 days before the date appointed for the meeting there shall have been left at the registered office of the Company notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

The Company may from time to time by ordinary resolution increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office.

The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Articles (being 2 Directors in accordance with Article 104). Any Director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

The Company may by special resolution remove any Director before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

The Company may by ordinary resolution appoint another person in place of a Director removed from office in accordance with the Articles, and without prejudice to the powers of the Directors under the Articles the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A person appointed in place of a Director so removed or to fill such a vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

8.9 Proceedings of Directors

A person entitled to be present at a meeting of the board or of a committee of the board shall be deemed to be present for all purposes if he is able (directly or by telephonic communication) to speak to and be heard by all those present or deemed to be present simultaneously, provided that he is not actually present in the United Kingdom at that time. A director so deemed to be present shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where it is convened to be held or (if no director is present in that place) where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is.

8.10 Dividends

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.

The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.

No dividend shall be paid otherwise than out of profits in accordance with the provisions of the Gibraltar Act.

The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of the Articles, as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

The Directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such

distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

Any dividend, bonus, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, interest or other moneys payable in respect of the shares held by them as joint holders.

No dividend shall bear interest against the Company.

A Gibraltar company does not make a distinction between resident and non resident holders for the purposes of the declaration of a dividend. It is up to the individual shareholder to take tax advice as to how they want to receive the dividend.

The Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. The entitlements conferred on the Company by this paragraph in respect of any member shall cease if such member claims a dividend or cashes a dividend warrant or cheque.

8.11 Requirement to notify or disclose Shareholder interests

Subject to any requirement under the Gibraltar Act the provisions of Chapter 5 of the Disclosure Rules and Transparency Rules which relate to the requirement of persons to disclose their interests in shares, shall apply to the Company as if its Home State (as defined in such rules) was the United Kingdom and such rules shall be deemed to be incorporated into the Articles and shall bind the Company and the Shareholders (other than the Depositary).

Subject to any requirement under the Gibraltar Act, the provisions of section 793 of the Act shall be deemed to be incorporated into the Articles and shall bind the Company and the shareholders and references in such section to a public company shall be deemed to be references to the Company.

The provisions of Rule 17 of the AIM Rules for Companies in relation to the disclosure of significant shareholdings (as amended from time to time) shall be deemed incorporated by reference into the Articles and, accordingly, notwithstanding the Gibraltar Act, the significant shareholder notification rules set out in Rule 17 of the AIM Rules for Companies (as amended from time to time) shall apply to the Company.

8.12 Return of capital on winding up

If the Company shall be wound up the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Gibraltar Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

8.13 Purchase of own shares

The Company may, subject to section 105 of the Gibraltar Act, purchase its own shares (including any redeemable shares) and such purchases may be made either out of or otherwise than out of the distributable profits of the Company or the proceeds of a fresh issue of shares and the Company may purchase its own shares (including any redeemable shares) without restriction including in order to: (a) settle or compromise a debt or claim; (b) eliminate a fractional share or fractional entitlement to or of shares; (c) fulfil an agreement in which the Company has an option, or under which the Company is obliged, to purchase shares under an employee share scheme which had previously been approved by the Company in general meeting; or (d) comply with an order of the court.

8.14 Conversion of shares into stock

The Company may, subject to section 131 of the Gibraltar Act, by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same Articles, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.

8.15 Pre-emption rights

There are no pre-emption rights applicable to the Company in relation to the allotment and/or issue of new shares.

8.16 Variation of rights

Subject to the provisions of the Gibraltar Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

Section 144 of the Gibraltar Act states that where a company’s articles do not contain provisions with respect to the variation of rights, those rights may only be varied if the holders of three quarters in nominal value of the issued shares of that class agree in writing or an extraordinary resolution is passed at a separate general meeting of the holders of the shares of that class. An extraordinary requires the same majority as a special resolution, namely 75 per cent., but simply requires notice to be given at some point specifying the intention to pass a resolution, rather than 21 days’ notice as required for a special resolution.

9. Material Contracts

Material contracts not in the ordinary course of business

The following contracts, not being contracts in the ordinary course of business, have been entered into by the Company or any member of the Enlarged Group in the two years immediately prior to the date of this document, and are, or may be, material:

9.1 **The Original Placing Agreement and Reverse Takeover Agreement**

9.1.1 Pursuant to the Original Placing Agreement:

- (a) Beaufort Securities agreed to act as agent for the Company, to use its reasonable endeavours to procure subscribers for the placing shares at the issue price (each as defined therein) but was under no obligation to subscribe for any placing shares for which it is unable to procure places; and
- (b) the Company and the Board gave certain warranties and indemnities to Sanlam Securities and Beaufort Securities as to the accuracy of information contained in the Original Admission Document and other matters in relation to the Company and the members of the Group and their respective businesses.

9.1.2 The Original Placing Agreement was conditional on, *inter alia*, Original Admission.

9.1.3 The Original Placing Agreement provided that Sanlam Securities was entitled to receive a corporate finance advisory fee payable in cash by the Company immediately on Original Admission and warrants to subscribe for 11,443,581 Ordinary Shares on Original Admission. In addition, the Company agreed to pay to Beaufort Securities a commission of 5 per cent. of the value of the placing shares allotted at the issue price where the relevant places are procured by Beaufort Securities and a commission of 1.5 per cent. of the proceeds of the issue (excluding the placing proceeds) and the Company agreed to grant Beaufort Securities warrants to subscribe for 1,216,667 Ordinary Shares on Original Admission.

9.2 The Reverse Takeover Agreement, further details of which are set out in paragraph 10 of Part V.

9.3 **Original Sanlam Securities Warrant Agreement**

Pursuant to a warrant instrument entered into by the Company dated 28 November 2014, the Company granted Sanlam Securities Limited the right, conditional upon Original Admission, to subscribe for new Ordinary Shares representing one per cent. of the enlarged share capital of the Company following Original Admission including any options or warrants exercisable at prices below 6 pence per new Ordinary Share to be exercised at 6 pence per new Ordinary Share at any time between the date of issue and the date falling on the fifth anniversary of Original Admission.

9.4 **Original Beaufort Warrant Agreement**

Pursuant to a warrant instrument entered into by the Company dated 28 November 2014, the Company granted Beaufort Securities the right, conditional upon Original Admission, to subscribe for new Ordinary Shares representing five per cent. of the total number of Original Admission placing shares placed by Beaufort Securities to be exercised at 6 pence per new Ordinary Share at any time between the date of issue and the date falling on the fifth anniversary of Original Admission.

9.5 **Original Admission lock-in and orderly market agreements**

Pursuant to lock-in and orderly market agreements dated 28 November 2014 between (1) the Company, (2) Sanlam Securities, (3) Beaufort Securities and (4) the Directors, each of the Directors and Applicable Employees (as defined in the AIM Rules for Companies) representing in aggregate on Original Admission 299,286,680 Ordinary Shares, agreed that (subject to certain limited exceptions) they will not, and they will use their reasonable endeavours to procure that their connected persons will not, for a period of twelve months following Original Admission, dispose of, or agree to dispose of, any Ordinary Shares held by them or their connected persons. Furthermore, subject to certain limited exceptions the Directors and Applicable Employees will not, and they will use their reasonable endeavours to procure that their connected persons will not, dispose of any interest in Ordinary Shares other than through Beaufort Securities and in accordance with the reasonable requirements of Beaufort Securities so as to ensure an orderly market for the issued share capital of the Company for a period of twelve months following the

first anniversary of Original Admission, provided that Beaufort Securities offer competitive terms in the event of any disposal.

Under the Framework Agreement, each party entered into lock in and orderly market arrangements in respect of the Ordinary Shares which might be issued to them upon the exercise of the option rights referred to in the Framework Agreement. Please refer to paragraph 9.20 of this Part V for further details.

9.6 Lock-in and orderly market agreements

The lock-in orderly market agreements described in paragraph 11 of this Part V.

9.7 Nomad agreement

An agreement dated 28 November 2014 made between (1) the Company, (2) Sanlam Securities, and (3) the Directors, whereby, conditional upon Original Admission, Sanlam Securities agreed to act as nominated adviser to the Company for an annual fee of £30,000 (together with out of pocket expenses), payable *pro rata* quarterly in advance, for a minimum period of 18 months from Original Admission. The agreement is subject to termination on three months' notice by either party at any time after the initial 18 month period.

9.8 Supplemental Nomad Agreement

An agreement dated 5 March 2015 made between (1) the Company, (2) Sanlam Securities, and (3) the Directors supplemental to the Nomad Agreement, whereby, conditional upon Admission, Sanlam Securities agreed to act as nominated adviser to the Company for an initial period of 2 years from Admission, at an annual retainer fee of £40,000 for the first year and £45,000 thereafter, terminable on three months' notice in accordance with the terms of the Nomad agreement described in paragraph 9.7 of this Part V above.

9.9 Broker agreement

An agreement dated 3 September 2014 made between (1) the Company and (2) Beaufort Securities Limited, whereby, conditional upon Original Admission, Beaufort Securities Limited agreed to act as broker to the Company for an annual fee of £30,000 (together with out of pocket expenses), payable *pro rata* quarterly in advance, with the first payment becoming due on Original Admission. The agreement is subject to termination on three months' notice by either party at any time after the initial 12 month period.

9.10 New broker agreement

An agreement dated 16 March 2015 which supersedes and replaces the Broker Agreement referred to in paragraph 9.9 of this Part V above made between (1) the Company and (2) Beaufort Securities Limited, whereby, conditional upon Admission, Beaufort Securities Limited agreed to act as broker to the Company for an annual fee of £30,000 (together with out of pocket expenses), payable *pro rata* quarterly in advance, with the first payment becoming due on Admission. The agreement is subject to termination on three months' notice by either party at any time after the initial 12 month period.

9.11 Kolarmy Loan Note

The Company issued a loan note to Kolarmy Technology Inc on 10 May 2014 (as amended) in the principal amount of up to US\$700,000 which is repayable with accrued interest in accordance with the terms of such loan note; the loan note bears interest at the rate of 1 per cent. per month on the actual principal amount outstanding on redemption and the loan is repayable at the option of the Noteholder either upon the happening of an event of default as referred to in the loan note or on 1 January 2017. The loan note is unsecured.

The Company issued a further loan note to Kolarmy Technology Inc on 2 October 2014 in the principal amount of up to US\$1,000,000 which is repayable with accrued interest in accordance

with the terms of such loan note; the loan note bears interest at the rate of 6 per cent. per annum on the actual principal amount outstanding each month until redemption and the loan is repayable at the option of the Noteholder either upon the happening of an event of default as referred to in the loan note or on the date falling 18 months plus 1 day from Original Admission. The Noteholder shall have the right by giving not less than two weeks' notice in writing to the Company at any time following Original Admission to require the allotment to the Noteholder of fully paid Ordinary Shares in exchange for and in satisfaction of all or part of the loan note and interest thereon. The number of such Ordinary Shares to be so allocated shall be calculated by the Company in its absolute discretion based on the average closing price of the Company's shares in the preceding 5 days of trading prior to the date of the Noteholder's notice to the Company requiring such allotment to the Noteholder. The loan note is unsecured. The loan note supersedes and replaces any previous loan notes between the Company and Kolarmy Technology Inc.

The Company has allotted 3,145,643 new Ordinary Shares to Kolarmy, conditional on Admission, pursuant to a partial conversion of the Kolarmy Loan Note in the amount of US\$300,000.

9.12 Depository agreement

Under a depository agreement dated 20 November 2014 the Company has appointed the Depository to provide depository services in accordance with a trust deed poll dated 20 November 2014. The Depository has determined to constitute and issue from time to time the Depository Interests with a view to facilitating the indirect holding of and settlement of transactions by participants in CREST.

9.13 Registrar agreement

Under a registrar agreement dated 23 October 2014 between (1) the Company and (2) the Registrar, the Registrar has agreed to provide services connected with the maintenance of the Company's register, including where shares are issued or transferred and dividends are declared by the Board.

9.14 Option Agreement

On 13 February 2015, Kolarmy, CPDC and the Company entered into an option agreement pursuant to which Kolarmy granted to the Company (or the Company's nominee) an option right to acquire the entire issued and to be issued share capital of CPDC. The consideration for the grant of the option was US\$410,000 (the "Option Price"). Exercise of the option is subject to certain conditions including approval by Sanlam, the giving of certain warranties by Kolarmy and CPDC, and entry into relevant transaction documents.

9.15 CPDC Acquisition Agreement

On 11 August 2015, the Vendors, CPDC, the Company and PCGSS entered into the CPDC Acquisition Agreement for the acquisition of CPDC. The following is a summary of certain terms and conditions of the CPDC Acquisition Agreement:

9.15.1 PCGSS conditionally agreed to acquire the entire issued share capital of CPDC from the Vendors. The Vendors agreed to sell the entire issued share capital of CPDC with full title guarantee and free from any and all encumbrances.

9.15.2 The Acquisition Agreement provides that CPDC's debtor, creditor and cash balances at 30 April 2015 will remain with the Vendors post-completion save for US\$69,100 cash and creditors of US\$19,100. The CPDC Acquisition Agreement also provides that (irrespective of any other provisions of the agreement) conditional on Admission all profits of CPDC generated on or after 16 June 2015 shall accrue to PCGE from 16 June 2015 and shall be owed to PCGE and shall be payable forthwith by the Vendors.

- 9.15.3 The consideration for the purchase of the entire issued share capital of CPDC is as follows:-
- (a) the Initial Consideration, to be satisfied by the allotment and issue to the Vendors of the Initial Consideration Shares; and
 - (b) the Further Consideration (if any) to be satisfied by the allotment and issue of the Further Consideration Shares.
- 9.15.4 The Vendors and CPDC provided the Company and PCGSS with a wide range of warranties including as to capacity and authority.
- 9.15.5 Details of the CPDC Acquisition Agreement are also set out in Part I of this document.

9.16 PCGSS Share Sale Agreement

Pursuant to a share sale agreement dated 19 March 2015 between the Company and Solent Nominees Limited (“Solent”), Solent agreed to transfer its interest in the entire issued share capital in PCGSS to the Company in consideration of receiving £1,820.00 cash consideration.

9.17 PCGEL Share Sale Agreement

Pursuant to a share sale agreement dated 20 December 2013 between the Company and each member of Hong Kong Strategic Services Limited (together the “Members” and each a “Member”) each Member agreed to transfer their interest in PCGEL’s shares to the Company in consideration of receiving such number of shares in the Company (the “PCGEL Consideration Shares”) as is set out in the PCGEL Share Sale Agreement, amounting in total to 2,685,807 shares in the Company.

On 10 October 2014 the Company entered into a letter of variation to the PCGEL Share Sale Agreement with the Members pursuant to which the Company and the Members agreed as follows:

- 9.17.1 the Company may in its absolute discretion, by way of further consideration in connection with the PCGEL Share Sale Agreement, allot and issue to the Members such number of additional shares credited as fully paid up in the capital of the Company as the Company may determine in its absolute discretion (PCGEL Further Consideration Shares);
- 9.17.2 if the Company does allot and issue such PCGEL Further Consideration Shares then it shall allot such PCGEL Further Consideration Shares to the Members:
- (a) as nearly as the Company may determine in its absolute discretion *pro rata* to the PCGEL Consideration Shares issued to each Member under Item 3 in Schedule 2 of the PCGEL Share Sale Agreement;
 - (b) so that the PCGEL Consideration Shares and the PCGEL Further Consideration Shares shall together be determined in the Company’s absolute discretion to have an aggregate value equal to £4,496,894 (and for these purposes the Company may have regard in its absolute discretion to, *inter alia*, the price at which the Company may agree to allot and issue shares conditional upon Original Admission); and
- 9.17.3 the percentage column set out in the table in Item 2 of Schedule 2 of the PCGEL Share Sale Agreement shall be deemed to be of no force or effect and shall be deemed deleted for all purposes.

The Company issued and allotted the PCGEL Further Consideration Shares on Original Admission.

9.18 **Relationship Agreement with Kolarmy**

By an agreement dated 11 August 2015 between Kolarmy, Sanlam Securities, Beaufort Securities and the Company, conditional on Admission, Kolarmy undertook to the Company, *inter alia*, to refrain from exercising its voting and other rights to procure that the Company is capable at all times of carrying on its business independently of Kolarmy and that all transactions between Kolarmy and the Company are and will be made on arm's length terms. The agreement will cease to apply if Kolarmy and its Affiliates and Connected Persons (each as defined therein) cease to hold 10 per cent. in aggregate of the voting share capital in the Company and/or the Company ceases to be admitted to trading on any market operated by the London Stock Exchange.

9.19 **Relationship Agreement with Kung Min Lin**

By an agreement dated 11 August 2015 between Kung Min Lin, Sanlam Securities, Beaufort Securities and the Company, conditional on Admission, Kung Min Lin undertook to the Company, *inter alia*, to refrain from exercising his voting and other rights to procure that the Company is capable at all times of carrying on its business independently of Kung Min Lin and that all transactions between Kung Min Lin and the Company are and will be made on arm's length terms. The agreement will cease to apply if Kung Min Lin and his Affiliates and Connected Persons (each as defined therein) cease to hold 10 per cent. in aggregate of the voting share capital in the Company and/or the Company ceases to be admitted to trading on any market operated by the London Stock Exchange.

9.20 **Framework Agreement**

On 3 November 2014 the Company entered into the Framework Agreement with HPC, HLC, the shareholders of HPC, the shareholders of HLC and Sihai Geju. Pursuant to the Framework Agreement, HPC, HLC and their respective shareholders have granted Sihai Geju option rights (the "**Option Rights**") to purchase 10 per cent. of the equity of each of HPC and HLC from Haikou Aoshi Investment Management Co., Ltd for US\$3,000,000 in cash and/or shares pursuant to capital sale agreements ("**Capital Sale Agreements**") to be entered into by HPC, HLC, Haikou Aoshi Investment Management Co., Ltd and Sihai Geju. The Option Rights are exercisable by no later than six months from the date of the Framework Agreement. Sihai Geju despatched notice to exercise the Option Rights immediately prior to Original Admission.

Sihai Geju's entitlement to exercise the Option Rights was conditional upon the agreement of amendments to the articles of each of HPC and HLC so as to be in a form and substance satisfactory to Sihai Geju.

Any consideration payable by the Company may be satisfied in the Company's absolute discretion either in RMB cash and/or by the allotment of such number of the Company's shares as shall have a market value (as determined by the Company acting reasonably) equal to US\$3,000,000. Where any part of the consideration is satisfied by the Company by the allotment of the Company's shares, the Company shall be paid an amount equal to the par value of the Company shares to be allotted.

Under the Framework Agreement, each party (other than the Company) agrees that it will not dispose of the legal, beneficial or any other interest whatsoever in any shares (or entitlement to shares) in the capital of the Company held by it from time to time save with the prior written consent of the Company and its nominated adviser/broker from the date of such allotment for a period of 12 months from the date of the allotment of such shares. In addition, for a further period of 12 months, it will not carry out such a disposal other than through the Company's nominated adviser/broker and then only if such disposal would not give rise to a disorderly market in the Company's shares. The Framework Agreement provides that Company's nominated adviser and/or broker shall be entitled to enforcement rights as if they were parties to the Framework Agreement.

The Framework Agreement is terminable immediately by notice by Sihai Geju and/or the Company on the occurrence of certain events, including:

- 9.20.1 the HLC/HPC shareholders failing to fully discharge their obligations under the Framework Agreement, including the waiver of any restrictions on transfer (including rights of pre-emption) which may affect or prevent the exercise of any of the Option Rights;
- 9.20.2 termination of the relevant Capital Sale Agreement by Sihai Geju as a result of a breach of a provision of the relevant Capital Sale Agreement by either HPC or HLC (as relevant) and/or Haikou Aoshi Investment Management Co., Ltd;
- 9.20.3 following the exercise of any of the Option Rights, completion of the registration of Sihai Geju as owner of the relevant percentage of the equity interest in either HPC or HLC not occurring within 20 Business Days of the date of the relevant Capital Sale Agreement.

The Framework Agreement supersedes and extinguishes any previous agreement between HLC, HPC, the shareholders of HPC, the shareholders of HLC and Sihai Geju in respect of options over the share capital of HLC and HPC, and such agreement has ceased to have any further force or effect.

As at the date of this document, the exercise of the Option Rights has not been completed.

9.21 **HPC Cooperation Agreement**

On 3 November 2014 Sihai Geju entered into the HPC Cooperation Agreement with HPC, pursuant to which Sihai Geju and HPC agreed a strategy for collaborating in order to maximise the growth potential of each business. The HPC Cooperation Agreement is for a term of 5 years (the "Effective Term") from the date the agreement is signed by the duly authorised representatives of both parties and Sihai Geju's option to acquire equity in HPC pursuant to the Framework Agreement has taken effect, which for the avoidance of doubt shall mean that the options have been exercised pursuant to the Framework Agreement, and will be automatically renewed for another five years at the end of each Effective Term unless terminated by either party giving 6 months' written notice. The HPC Cooperation Agreement is also terminable by mutual written agreement of the parties, and will be immediately terminated should:

- 9.21.1 one party breach the terms of the HPC Cooperation Agreement (such breach not being satisfactorily remedied within 30 days); or
- 9.21.2 one party become insolvent, enters bankruptcy or enters dissolution and/or liquidation; or
- 9.21.3 any licence held by either party which is necessary for conducting any business contemplated by the HPC Cooperation Agreement expires, is revoked or otherwise becomes invalid.

9.22 **HLC Cooperation Agreement**

On 3 November 2014 Sihai Geju entered into the HLC Cooperation Agreement with HLC, pursuant to which Sihai Geju and HLC agreed a strategy for collaborating in order to maximise the growth potential of each business. The HLC Cooperation Agreement is for a term of 5 years (the "Effective Term") from the date the agreement is signed by the duly authorised representatives of both parties and Sihai Geju's option to acquire equity in HLC pursuant to the Framework Agreement has taken effect, which for the avoidance of doubt shall mean that the options have been exercised pursuant to the Framework Agreement, and will be automatically renewed for another five years at the end of each Effective Term unless terminated by either party giving 6 months' written notice. The HLC Cooperation Agreement is also terminable by mutual written agreement of the parties, and will be immediately terminated should:

- 9.22.1 one party breach the terms of the HLC Cooperation Agreement (such breach not being satisfactorily remedied within 30 days), or

- 9.22.2 one party become insolvent, enters bankruptcy or enters dissolution and/or liquidation;
or
 - 9.22.3 any licence held by either party which is necessary for conducting any business contemplated by the HPC Cooperation Agreement expires, is revoked or otherwise becomes invalid.
- 9.23 On 18 December 2013 the Company allotted and issued 373,657,097 Ordinary Shares of £0.001 each to Forbidden City Ltd and 373,657,096 Ordinary Shares of £0.001 each to Black Swan Plc in settlement of two identical invoices for £1,494,628.38 each covering set up costs, corporate finance advice and general investment costs incurred in the creation of the Group's underlying businesses over a three year period.

9.24 **Share Option Scheme**

The Directors believe that equity incentives are, and will continue to be, an important means of retaining, attracting and motivating employees, consultants and professional advisers to the Group and have adopted the Share Option Scheme for that purpose.

At Admission the Directors have not granted any options under the Share Option Scheme or otherwise.

It is the intention of the Directors that options will be granted but that the total of all outstanding options from time to time will not exceed 15.0 per cent. of the issued share capital of the Company from time to time. The exercise price will be the then prevailing market price at the date of grant.

9.25 **YTB Subscription Agreement**

On 28 November 2014 the Company entered into a subscription agreement with YTB as agent for and on behalf of the Investor (as defined therein) in respect of the allotment of subscription shares for a subscription amount of US\$3.1 million in connection with Original Admission.

9.26 **Warrant instrument**

On 28 November 2014 the Company entered into a deed poll constituting warrants to subscribe for Ordinary Shares in connection with Original Admission (the "**Warrant Instrument**"). Pursuant to the Warrant Instrument, 113,666,668 warrants were granted by the Company to certain investors at the time of Original Admission. The exercise period is from the first anniversary of Original Admission until the second anniversary of Original Admission (or the next business day if such date does not fall on a business day). The exercise price is 2 pence per Ordinary Share.

9.27 **Yorkville SEDA**

Pursuant to the Yorkville SEDA between the Company and YA Global Master SPV (the "Investor") dated 27 November 2014, the Investor agreed to subscribe for up to £2 million in respect of Ordinary Shares (the Commitment Amount), and to make this facility available for 36 months from the date of the Yorkville SEDA. Unless otherwise agreed between the parties, the amount of an advance cannot exceed:

- 9.27.1 an amount equal to 200 per cent. of the average of the Daily Value Traded (as defined therein) for each of the ten Trading Days (as defined therein) prior to the date on which the Company delivers an Advance Notice (as defined therein) to the Investor, or such other amount as may be agreed upon by mutual consent of the parties;
- 9.27.2 such amount as would result in the Investor holding more than 2.99 per cent. of the total issued ordinary share capital of the Company; or
- 9.27.3 such amount as, together with the aggregate of all previous amounts paid by the Investor to the Company under the Yorkville SEDA, would exceed £2 million.

The number and timing of advances to be made pursuant to the Yorkville SEDA shall be at the discretion of the Company. Advances are subject to the satisfaction of certain conditions precedent including there being no breach of warranties, no material adverse change in respect of the Company and no material breach by the Company of the covenants and obligations of the Yorkville SEDA.

The Investor may terminate or suspend the Yorkville SEDA by written notice to the Company if a material adverse change or an insolvency event occurs in relation to the Group which is considered by the Investor to be materially adversely prejudicial to the Group, or a material breach of the Yorkville SEDA (including a breach of warranty) by the Company occurs. The Company may terminate the Yorkville SEDA upon 15 days' written notice by the Company to the Investor provided that all Ordinary Shares due to be allotted and issued to the Investor have been allotted, issued, admitted and delivered, and the Company has paid all amounts due to the Investor.

The Company has covenanted to the Investor that it will maintain the admission of the Ordinary Shares to trading on AIM; comply with applicable laws; preserve licences and other authorities as required by the Group to carry out its business, and to maintain the corporate existence of each member of the Group; and immediately notify the Investor if the London Stock Exchange notifies any potential or actual suspension or de-listing of the Ordinary Shares from trading on AIM.

The Company also covenants to the Investor that it shall not enter into any agreements similar to the Yorkville SEDA with any third party; nor effect a consolidation event during the Pricing Period or the period of five trading days following a Pricing Period.

Pursuant to the Yorkville SEDA, the Company agreed to pay an implementation fee of £100,000 to be satisfied at its election either:

- (a) in cash on the date of Original Admission;
- (b) in cash out of the proceeds of an advance provided that it delivers an appropriate Advance Notice to the Investor on or before the date of Original Admission, in which case the Investor shall be entitled to retain the implementation fee; or
- (c) by the issue of the Yorkville Implementation Fee Shares.

In addition the Company agrees to pay the Investor's UK legal costs and expenses of £7,500 plus applicable VAT.

The Ordinary Shares will be issued pursuant to the Yorkville SEDA at 95 per cent. of the lowest daily VWAP of the Ordinary Shares for the Pricing Period prior to the advance notice that is greater or equal to the minimum acceptable price set by the Company.

The minimum acceptable price may not be more than 95 per cent. of the VWAP of the Ordinary Shares on the date immediately prior to the advance notice. The advance amount will automatically be reduced by up to 10 per cent. for each trading day during the Pricing Period that the VWAP is below the minimum acceptable price.

9.28 **HWB engagement**

On 19 September 2014, the Company entered into a letter of engagement with Howes Williams Bowers, a law firm established under the laws of Hong Kong, with its legal address at 27/F Alexandra House, 18 Chater Road, Central, Hong Kong SAR ("**HWB**") (the "**HWB Engagement Letter**"). Pursuant to the HWB Engagement Letter, HWB agreed to provide certain legal services relating to PCGEL, Jingtuo and Sihai Geju for an estimated service fee of between HK\$120,000 and HK\$150,000.

On 19 September 2014, PCGEL appointed HWB (Corporate Services) Limited, a company established under the laws of Hong Kong, with its legal address at 27/F Alexandra House, 18 Chater Road, Central, Hong Kong SAR ("**HWBCS**") to act as PCGEL's company secretary (the "**HWBCS Appointment**"). Under the terms of the HWBCS Appointment, HWBCS agreed

to provide certain company secretarial services to PCGEL for a fee of HK\$8,000 per annum, and also to provide a registered office at 27/F Alexandra House, 18 Chater Road, Central, Hong Kong SAR for an additional fee of HK\$3,000 per annum. The HWBCS Appointment is terminable by the Company at any time.

Both the HWB Engagement Letter and the HWBCS Appointment were terminated prior to Original Admission.

9.29 **Retainer Agreement with Commerce & Finance Law Offices**

On 16 September 2014, the Company entered into a retainer agreement with Commerce & Finance Law Offices, a law firm established under the laws of the PRC, with its legal address at 6F NCI Tower, Jianguomenwai Avenue, Beijing 100022, PRC (“C&F”) (the “**Retainer Agreement**”). Pursuant to the Retainer Agreement, C&F agreed to provide certain legal services relating to Jingtuo and Sihai Geju for a legal service fee of RMB 2,000 per hour. The Company can suspend or terminate the Retainer Agreement at any time giving prior written notice to C&F.

9.30 **Agreement with damson pr**

On 26 May 2014, the Company entered into a letter of engagement with damson pr (the “**PR Engagement Letter**”). Pursuant to the PR Engagement Letter, damson pr shall provide the Company with PR and marketing services for a fee of £20,000 up to the date of Original Admission, and on-going fees thereafter of £1,750 per month. The Company may terminate the PR Engagement Letter on one month’s notice. The fee payable under the PR Engagement Letter may be paid in Ordinary Shares. Pursuant to the PR Engagement Letter, the Company has allotted the Damson Shares to damson pr conditional on Admission. On 18 June 2015, the Company entered into an agreement with damson pr limited on substantially similar terms to the PR Engagement Letter, which has taken on the business previously operated by damson pr.

9.31 On 10 October 2014 the Company allotted and issued 107,100,000 Ordinary Shares in the share capital of the Company in settlement of an invoice in the sum of US\$280,000 in respect of advisory services and such shares were allotted as follows:

9.31.1 85,680,000 to Kaitian Investment Company Limited

9.31.2 10,710,000 to Jingo Investments Limited

9.31.3 10,710,000 to Zippy Management Limited

9.32 Pursuant to an invoice dated 1 August 2014 the Company paid Kaitian Investment Company Limited US\$200,000 in settlement of such invoice in respect of advisory services.

9.33 **Irrevocable Undertakings**

During July 2015, certain Shareholders entered into a deed in favour of the Company and Sanlam whereby each such Shareholder has irrevocably undertaken to vote in favour of the Resolution at the General Meeting. The Shareholders also provided certain customary warranties as regards its beneficial holdings in the Company and its ability to enter into and perform its obligations under the deed. The Shareholders also agreed not to (i) sell, encumber or otherwise dispose of, or permit the sale of other disposition of the creation or grant of any encumbrance over all of any interest in the Ordinary Shares held by it from time to time; or (ii) enter into any agreement or arrangement, or permit any agreement or arrangement to be entered into which would or might restrict or impede its ability to vote in favour of the Resolution, until such time as the undertakings have lapsed or such resolutions have been put to Shareholders at the General Meeting and the General Meeting having concluded. The deed is subject to English law.

9.34 **Usage Rights Agreement**

On 24 August 2012 and 1 September 2014, CPDC entered into Usage Rights Agreements with Kenmore Ventures Ltd (“Kenmore”), and on 24 August 2012 CPDC entered into an addendum with Kenmore, pursuant to which Kenmore has granted CPDC the right to use its cash

management system in relation to online gaming in China, Macao, Hong Kong, Vietnam, Malaysia and Thailand. The Usage Rights Agreement was renewed on 1 September 2014 and the territory expanded to include Taiwan. Kenmore also granted CPDC the right to sub-license the use of the system to its agents. Either party can terminate by mutual agreement or if the other is insolvent or bankrupt or in material breach of one of the terms of the agreement. However, Kenmore may also terminate the agreement if, in its reasonable opinion, it is no longer “commercially viable” for the agreement to remain in full force and effect. Under the terms of the agreement, “commercially viable” means that during the last 6 months of operation prior to the termination of the agreement by either party, CPDC did not transfer to Kenmore a minimum of USD100,000 per month.

9.35 Software Licensing Agreements

CPDC has entered into Software Licencing Agreements with five sub-licensees pursuant to which CPDC grants sub-licences to agents to operate the various games in Asia under the terms of the Usage Rights Agreement with Kenmore Ventures Ltd (Kenmore) referred to in paragraph 9.34 above.

	Parties	Initial Term/Cooperation Period (after the initial period, each agreement shall continue until either party gives the other six months’ notice in writing)	Licensed territories	Governing Law referred to
1	CPDC and PerfectPairs Gaming Co., Ltd	June 2015 to June 2016	Taiwan	England & Wales
2	CPDC and Plus Victory Capital Limited	June 2015 to June 2016	Belize	England & Wales
3	CPDC and Zhen Zhu Co., Ltd	June 2015 to June 2016	Taiwan	England & Wales
4	CPDC and Shenzhen Wei Network Sky Technology Ltd (also known as “GT Asia”)	June 2015 to June 2016	Mainland China	England & Wales
5	CPDC and Union Star International (HK) Limited	June 2015 to June 2016	Taiwan	England & Wales

9.36 Client Provider Authorization

CPDC has a “Client Provider Authorization” dated 6 November 2013 issued to it by the Kahnawake Gaming Commission. A Client Provider Authorization is issued to approved entities that want to provide interactive gaming services from the hosting facility in Kahnawake. The approved hosting facility is the holder of the interactive gaming licence, which has been held by Mohawk Internet Technologies since 1999. The holder of a valid Client Provider Authorization is called an Authorized Client Provider, which must be hosted at the hosting facility that holds the interactive gaming licence and is entitled to offer any type of interactive gaming. CPDC’s certified premises are P.O Box 1470, Route 138, Mohawk Territory of Kahnawake. The Client Provider Authorization certificate states that the authorized games are interactive games of chance or mixed chance and skill. The Client Provider Authorization is due to terminate on 10 November 2015. Kahnawake Gaming Commission and its members, employees and agents are not liable for any damages, losses, costs or liabilities incurred by the holder of the Client Provider Authorization. CPDC indemnifies the Kahnawake Gaming Commission against any

claims, demands or actions and any resulting damages, awards or costs (including legal costs) brought by any third party against the Commission in relation to acts or omissions of CPDC.

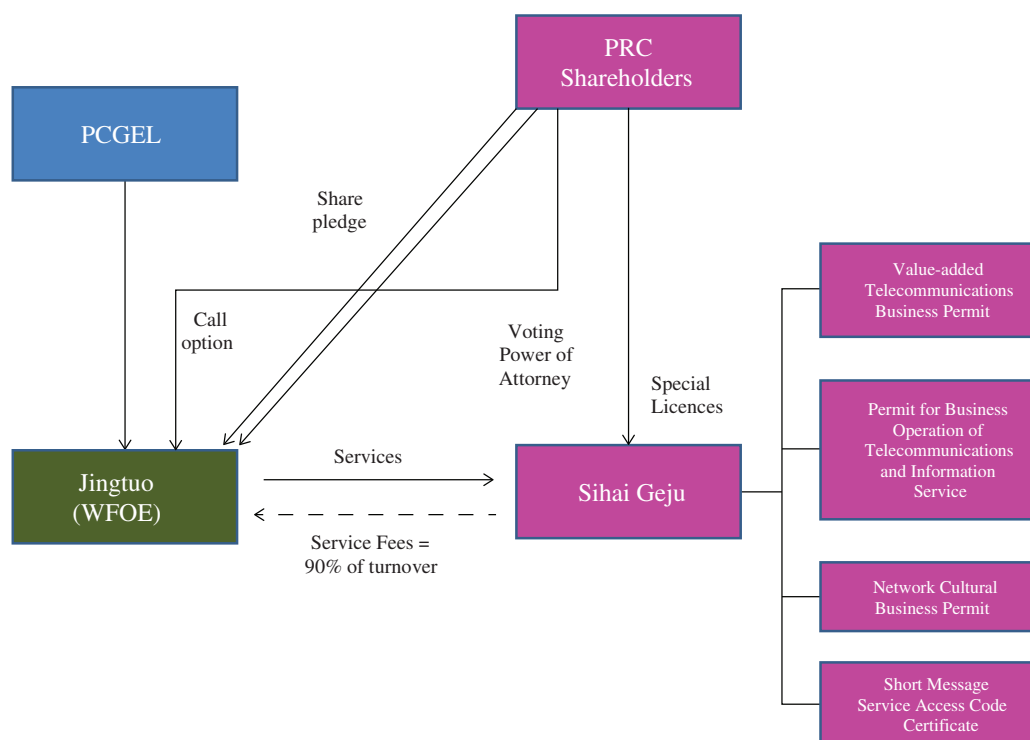
Other contracts not in the ordinary course of business

The following contracts, not being contracts in the ordinary course of business, have been entered into by the Company or any member of the Enlarged Group and contain provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document:

9.37 On 11 August 2015, CPDC and Heng-Jui Lin entered into a consultancy agreement pursuant to which, conditional on Admission, Heng-Jui Lin would provide certain services to CPDC as a consultant for an annual fee of US\$156,000. The Company may settle such fees through the issue of Ordinary Shares at the prevailing market price. The appointment is terminable on six months' notice by either side, and lasts for a period of one year.

9.38 VIE Arrangements

The following diagram illustrates the VIE Arrangements between PCGEL/Jingtuo, Sihai Geju and the PRC Shareholders:



The VIE Arrangements consist of the following:

9.38.1 Two loan agreements entered into on 30 August 2011 and reinstated on 4 November 2014 pursuant to which Jingtuo (or PCGEL as Jingtuo's sole promoter in relation to performance of Jingtuo's obligations prior to the incorporation of Jingtuo) agreed to lend the PRC Shareholders the following for the purposes of acquiring the entire issued share capital of Sihai Geju:

Borrower	Amount	Purpose
Hong Lu	RMB 240,000	Acquiring 60 per cent. of the equity of Sihai Geju
Min Zhang	RMB 160,000	Acquiring 40 per cent. of the equity of Sihai Geju

The principal terms of the loans are as follows:

- (a) Term: fifty years from 30 August 2011, renewing automatically for another ten years upon expiry and each subsequent expiry. However, where the PRC Shareholders transfer the interests in Sihai Geju for whatever reason, the proceeds received must first be used to repay the loans immediately. All loans are immediately due if the PRC Shareholders breach the other contracts entered into as part of the VIE Arrangements (the Exclusive Call Option Agreement, Business Operation Agreement and Exclusive Technology Supporting and Consultant Services Agreement as described below);
- (b) Interest: Generally free of interest except that:
 - (i) where Jingtuo exercises its call option under the Exclusive Call Option Agreement at a price that is higher than the original price of the shares, the PRC Shareholders shall pay interest on the loans at an amount equal to the amount he or she actually receives after tax;
 - (ii) in the event of the PRC Shareholders and/or Sihai Geju breaching the Exclusive Call Option Agreement, Business Operation Agreement or the Exclusive Technology Supporting and Consultant Services Agreement, the PRC Shareholders shall pay to Jingtuo interest calculated at four times the bank loan interest rate for the same period of the loans and compound interest is calculated by year;

9.38.2 A business operation agreement dated 30 August 2011 pursuant to which Jingtuo (or PCGEL as Jingtuo's sole promoter in relation to performance of the agreement prior to the incorporation of Jingtuo) is entitled to direct and supervise all business operation activities of Sihai Geju. In accordance with the business operation agreement, Sihai Geju shall:

- (a) employ and dismiss Sihai Geju employees as suggested by Jingtuo;
- (b) execute Jingtuo's advice on the daily operational management and financial management systems of Sihai Geju; and
- (c) vote for directors, chairman of the board, general manager, general financial officer and other senior managers recommended by Jingtuo.

In addition, the terms of the business operation agreement prevent Sihai Geju and the PRC Shareholders from carrying out any transaction that may substantially affect the assets, business, personnel, obligations, rights or the operation of Sihai Geju without the prior written consent of Jingtuo.

9.38.3 A power of attorney dated 30 August 2011 given by the PRC Shareholders appointing Jingtuo (or PCGEL as Jingtuo's sole promoter in relation to performance of Jingtuo's obligations prior to the incorporation of Jingtuo) as agent. The power of attorney will remain in force until completion of the transfer of the equity interest in Sihai Geju to Jingtuo.

9.38.4 An exclusive technology supporting and consultant services agreement dated 30 August 2011, pursuant to which Jingtuo (or PCGEL as Jingtuo's sole promoter in relation to performance of Jingtuo's obligations prior to the incorporation of Jingtuo) shall provide to Sihai Geju the following exclusive services for as long as Sihai Geju continues to operate:

- (a) computer software and network technology support;
- (b) network advertisement business support;
- (c) technology training; and
- (d) technology consultation.

The fee for the provision of such services is 90 per cent. of Sihai Geju's turnover.

- 9.38.5 A share pledge agreement entered into on 30 August 2011 and reinstated on 4 November 2014 pursuant to which the PRC Shareholders pledged their entire equity interest in Sihai Geju to Jingtuo. The share pledge agreement will remain in force until three years after the due date of the last secured debt under the loan agreements described above or the due date of the last outstanding obligation under any of the other VIE agreements, whichever is the later.
- 9.38.6 An exclusive call option agreement entered into on 30 August 2011 and reinstated on 4 November 2014 pursuant to which the PRC Shareholders grant Jingtuo (and/or any person designated by Jingtuo) the right to acquire all or part of the share equity interest in Sihai Geju by notice at any time and in any manner to the extent permitted under PRC law. The purchase price shall be the lowest amount permitted under the prevailing PRC law or the most reasonable price suggested by a tax adviser. Such purchase price shall be paid in cash or otherwise as mutually agreed by the parties and permitted by PRC laws.

Please refer to Part III which addresses certain risk factors associated with VIE structures.

10. Reverse Takeover Agreement

10.1 Pursuant to the Reverse Takeover Agreement the Company and the Board have given certain warranties and indemnities to Sanlam Securities and Beaufort Securities as to the accuracy of information contained in this document and other matters in relation to the Company and the members of the Group and their respective businesses.

10.2 The Reverse Takeover Agreement is:

- 10.2.1 conditional *inter alia* upon certain documents specified in the Placing Agreement being delivered to Sanlam Securities and Beaufort Securities, and Admission taking place not later than 8.00 a.m. on 28 August 2015 or such later date as is agreed in writing between the Company, Sanlam Securities and Beaufort Securities (being not later than 30 September 2015); and
- 10.2.2 terminable by Sanlam Securities and Beaufort Securities before Admission in certain circumstances, including a breach of any of the warranties, the failure to comply with obligations by any of the Company or the Board or circumstances having arisen which would require a supplemental admission document to be issued.

10.3 Reverse Takeover Agreement fees:

Sanlam Securities is entitled to receive a corporate finance advisory fee payable in cash by the Company conditional on Admission.

11. Lock-In and Orderly Market Agreements

Pursuant to lock-in and orderly market agreements dated 11 August 2015 between (1) the Company, (2) Sanlam Securities, (3) Beaufort Securities and (4) each of the Directors, each of the Directors, has agreed that (subject to certain limited exceptions) they will not, and they will use their respective reasonable endeavours to procure that their connected persons will not, for a period of twelve months following Admission, dispose of, or agree to dispose of, any Ordinary Shares held by them or their connected persons. Furthermore, subject to certain limited exceptions, the Directors have agreed that they will not, and will use their reasonable endeavours to procure that their connected persons will not, for a period of twelve months following the first anniversary of Admission dispose of any interest in Ordinary Shares other than through Beaufort Securities and in accordance with the reasonable requirements of Beaufort Securities so as to ensure an orderly market for the issued share capital of the Company, provided that Beaufort Securities offers competitive terms in the event of any such disposal.

Pursuant to a lock-in and orderly market agreement dated 11 August 2015 between (1) the Company, (2) Sanlam Securities, (3) Beaufort Securities and (4) Kolarmy, Kolarmy has agreed that (subject to certain limited exceptions) it will not, and it will use its reasonable endeavours to procure that its

connected persons will not, for a period of twelve months following Admission, dispose of, or agree to dispose of, any Ordinary Shares issued to it or its connected persons as consideration shares or (if applicable) further consideration shares under the CPDC Acquisition Agreement. Furthermore, subject to certain limited exceptions, Kolarmy has agreed that it will not, and will use its reasonable endeavours to procure that its connected persons will not, for a period of twelve months following the first anniversary of Admission dispose of any interest in any such Ordinary Shares other than through Beaufort Securities and in accordance with the reasonable requirements of Beaufort Securities so as to ensure an orderly market for the issued share capital of the Company, provided that Beaufort Securities offers competitive terms in the event of any such disposal.

Pursuant to orderly market agreements dated 11 August 2015 between (1) the Company, (2) Sanlam Securities, (3) Beaufort Securities and (4) each of the CPDC Shareholders (except Kolarmy), each of such shareholders has agreed that, subject to certain limited exceptions, for a period of twelve months following Admission it will not, and will use its reasonable endeavours to procure that its connected persons will not, dispose of any interest in any Ordinary Shares issued to it or its connected persons as consideration shares or (if applicable) further consideration shares under the CPDC Acquisition Agreement other than through Beaufort Securities and in accordance with the reasonable requirements of Beaufort Securities so as to ensure an orderly market for the issued share capital of the Company, provided that Beaufort Securities offers competitive terms in the event of any such disposal.

12. Licences

Under the laws and regulations of the PRC, special licences and permits are required by companies wishing to perform Restricted Business.

12.1 Licences and permits held by Sihai Geju

12.1.1 Sihai Geju has completed the following registrations with the relevant government authorities:-

- (a) Business Licence with the current business scope and terms of operation, brief details of which are set out below:

Business Scope	Information service business in the second type value added telecom business (excluding fixed network telephone information service and internet information service) (The valid term of VAT Business Permits until 20 December 2015); internet information service (excluding journalism, publication, education, medical care, medicine, and medical instruments and BBS service) (The valid term of Permit for Business Operation of Telecommunication and Information Services is until 2 August 2016). Organise cultural and art exchange activities (excluding performance); art creation; computer graphic design and production; photographic service; light design; market research; brand building; design, produce and publish advertisements and act as agent for the advertisement; exhibition and demonstration services; marketing strategy; computer system service; software designation; technology promotion service. (projects subject to approval according to law shall be operated after being approved by relevant authorities)
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Term of Operation From 2 March 2009 to 1 March 2029

Date of Incorporation 2 March 2009

- (b) Enterprise Code Registration (Code No.68578826-6); and
- (c) Tax Registration Certificate (Registration No: Jing Shui Zheng Zi No. 110105685788266).

12.1.2 Sihai Geju has also obtained and currently holds the following licences and permits required for the Restricted Business, brief details of which are set out below:-

Certificates/ Permits	Certificates/ Permits No	Business Scope/ Type or Description of Certificates	Issuing Authority	Term of Validity	Issuing Date
VAT Business Permit	B2-20 100298 Business Type:	Information service business in the second type value added telecom business (excluding fixed network telephone information service and internet information service)	Ministry of Industry and Information Technology of the People's Republic of China	Until 20 December 2015	27 February 2012
Permit for Business Operation of Telecomm- unication and Information Services	ICP 110551	Business Type: Information service business in the second type value added telecom business (limited to internet information service). Service Items: Internet information service business excluding contents of news, publish, education, medical healthcare, medicine, medical appliance	Beijing Communications Administration	Until 10 November 2016	2 April 2014
Network Cultural Business Permit	[2013]1092- 141 1(Jing Wang Wen) [2013] No. 1092- 1411)	Use internet to operate musical entertainment product, game product (including the issuance of virtual currency for online game), and comic and animation	Ministry of Industry and Information Technology of the People's Republic of China	Until 20 December 2015	22 May 2012
Short Message Service Access Code Certificate for Access Code	[2011] 00072-A01 1 (Hao No. [2011] 00072-A01 1)	Approval of use of short message service access code: 10660579 and operation of short message service	Beijing Bureau of Culture	Until 31 December 2016	20 October 2013

In order to operate online poker and/or lottery games, in addition to holding the Licences, the Group will also need to satisfy certain other legal requirements and have each individual online game approved and filed with the Ministry of Culture. Please refer to Part III for details of risk factors relating to the Licences.

13. Directors' Dealings

The Directors intend to comply with rule 21 of the AIM Rules for Companies relating to directors' dealings as applicable to AIM companies and will also take all reasonable steps to ensure compliance by the Company's applicable employees (as defined in the AIM Rules for Companies).

14. Related Party Transactions

14.1 The Group has entered into the following transactions with related parties during the period covered by the financial information set out in Part IV of this document and the financial information on PCGE which is deemed to be incorporated by reference into this document.

14.2 These transactions were conducted on arm's length terms (or on terms which were not on arm's length terms but more favourable terms from the Company's perspective), are considered material in the context of, and are in aggregate in excess of, the turnover of the Group in the relevant periods:

14.2.1 CPDC is proposed to be acquired by the Company from, amongst others, Kolarmy, a Shareholder of the Company which is wholly owned by Heng-Jui Lin, a Shareholder, and the brother of the Company's Chairman, Kung Min Lin. Consequently, entry into the Option Agreement and the CPDC Acquisition Agreement by the Company are related party transactions. Please refer to paragraphs 9.14 and 9.15 for further details.

14.2.2 Certain subscriptions for and/or allotments of Ordinary Shares in the capital of the Company are to be or were effected by Shareholders and other related parties; please refer to paragraph 4 of this Part V for details of changes in the share capital of the Company and/or please refer to the material contracts described at paragraph 9 of this Part V, in particular the CPDC Acquisition Agreement, the PCGEL Share Sale Agreement, the allotment of the Kolarmy Conversion Shares conditional on Admission, and the allotment and issue on 18 December 2013 of 373,657,097 Ordinary Shares of £0.001 each to Forbidden City Ltd and 373,657,096 Ordinary Shares of £0.001 each to Black Swan Plc in settlement of two identical invoices for £1,494,628.38 each covering set up costs, corporate finance advice and general investment costs incurred in the creation of the Group's underlying businesses over a three year period.

14.2.3 Certain of the Group's transactions and arrangements are with related parties and the effect of these, on the basis determined between the parties, is reflected in Part IV of this document and the financial information incorporated into this document by reference. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

(a) A former member of the management team, Mr Hu Ye, used his own service vehicle to pay bills on behalf of the Group. These amounts are shown within the relevant headings and were at normal arm's lengths terms. The company, Advant Gain Limited, whose principal shareholder is Mr Hu Ye, had the following balances with the Group:

	As at 31 December 2012 US\$	As at 31 December 2013 US\$	As at 31 December 2014 US\$
Debtor	0	59,406	0
Creditor	0	327,257	0

All amounts due to Mr Hu Ye and Advant Gain Limited were assigned to Kolarmy Technology Inc on 31 December 2014. The total amount assigned was US\$553,665.

(b) Key management personnel compensation is analysed as follows:

(i) Key management personnel are considered to be the Directors. No Director received any emoluments in the years ended 31 December 2012 or 2013. During the year ending 31 December 2014 the remuneration of the directors was as follows:

	Salaries, allowances and benefits in kind US\$
Alan David Gravett	1,042
Richard O'Dell Poulден ^(a)	8,333
Nicholas Bryant ^(b)	63,113
Clive Hyman ^(c)	32,500
Kung-Min Lin	8,333
Professor Michael Mainelli ^(d)	1,667
	<hr/> 114,988 <hr/>

(a) Pursuant to an agreement dated 28 November 2014 between the Company and Black Swan FZE, a wholly owned subsidiary of Black Swan Plc of which Richard Poulден is chairman, the Company pays director's fees to Black Swan FZE.

(b) Pursuant to an agreement dated 28 November 2014 between the Company and Electric Warrior Limited, a company of which Nicholas Bryant is a shareholder, the Company pays director's fees to Electric Warrior Limited.

(c) Pursuant to an agreement dated 28 November 2014 between the Company and Hyman Capital Services Limited, a company of which Clive Hyman is a shareholder, the Company pays director's fees to Hyman Capital Services Limited.

(d) Pursuant to an agreement dated 28 November 2014 between the Company and Z/Yen Group Limited, a company of which Professor Michael Mainelli is a shareholder, the Company pays director's fees to Z/Yen Group Limited.

(ii) During the periods under review consulting payments were made to:

(1) Kolarmy Technology Inc: HK\$125,000

(2) Advant Gain: US\$33,334

(iii) Kolarmy Technology Inc is a Shareholder of the Company.

(c) As at 31 December 2014 US\$1,895,665 was due to Kolarmy Technology Inc. (2013: US\$70,000) including US\$1,000,000 pursuant to the loan notes issued by the Company to Kolarmy Technology Inc (further details of which are set out at paragraph 9.11 of this Part V). Due to the convertible nature of the loan notes, US\$40,420 is held in equity. Amounts due to Kolarmy Technology Inc. included in current and non-current liabilities as at 31 December 2014 were therefore US\$1,855,245 relating to the convertible loan notes of US\$1,000,000 and the remainder related to short term payables, including the assignment of balances (disclosed in note 27 to the PCGE 2014 annual report and accounts incorporated by reference) which were repaid on 16 January 2015. Kolarmy Technology Inc. is a Shareholder in the Company. The loan note and accrued interest is repayable at the option of the Noteholder on an event of default or on the date falling 18 months plus 1 day from Original Admission. The

Kolarmy Conversion Shares have been allotted conditional on Admission pursuant to the conversion of US\$300,000 of loan notes.

- (d) PCG Entertainment PLC issued 373,657,097 Ordinary Shares of £0.001 each to Forbidden City Ltd and 373,657,096 Ordinary Shares of £0.001 each to Black Swan Plc in settlement of two identical invoices for £1,494,628.38 each covering set up costs, corporate finance advice and general investment costs incurred in the creation of the Group's underlying businesses over a three year period. Richard Poulden is chairman and controls a majority of the shares in Black Swan Plc, and Kung Min Lin owns a majority of the shares in Forbidden City Ltd.

14.3 Other related party transactions

Black Swan Plc and Forbidden City Ltd

On 18 December 2013 the Company allotted and issued 373,657,097 Ordinary Shares of £0.001 each to Forbidden City Ltd and 373,657,096 Ordinary Shares of £0.001 each to Black Swan Plc in settlement of two identical invoices for £1,494,628.38 each covering set up costs, corporate finance advice and general investment costs incurred in the creation of the Group's underlying businesses over a three year period. Richard Poulden is chairman and controls a majority of the shares in Black Swan Plc, and Kung Min Lin owns a majority of the shares in Forbidden City Ltd.

Malvern Trust

Richard Poulden holds his Ordinary Shares through the Malvern Trust and these shares via DIs are held in the name of Ashton Nominees Inc. Pursuant to the terms of the Directors' lock-in arrangements referred to in paragraph 11 of Part V of this document Richard Poulden has agreed to use his reasonable endeavours to procure that the Malvern Trust will comply with the lock-in and orderly market arrangements, further details of which are set out at paragraph 11 of Part V of this document.

Black Swan FZE

Black Swan FZE has entered into an agreement with the Company dated 28 November 2014 pursuant to which Richard Poulden will provide services as Deputy Chairman and Non-Executive Director to the Company. Black Swan FZE is a wholly owned subsidiary of Black Swan Plc of which Richard Poulden is chairman and controls a majority of the shares. Pursuant to the agreement the Company agrees to pay Black Swan FZE US\$100,000 per annum. The agreement may be terminated on six months' notice by either party. Richard Poulden was appointed as a Director of the Company on 25 May 2012.

Hyman Capital Services Limited

Hyman Capital Services Limited, of which Clive Hyman is a director, entered into an agreement with the Company dated 28 November 2014 pursuant to which Clive Hyman will provide services as Chief Financial Officer to the Company. Pursuant to the agreement the Company agrees to pay Hyman Capital Services Limited a fee of US\$130,000 per annum. The appointment is terminable on six months' notice by either party. Clive Hyman was appointed as a Director of the Company on 9 June 2014.

Z/Yen Group Limited

Z/Yen Group Limited, of which Michael Mainelli is a director, entered into an agreement with the Company dated 28 November 2014 pursuant to which Michael Mainelli will provide services as a Non-Executive Director to the Company. Pursuant to the agreement the Company agrees to pay Z/Yen Group Limited a fee of US\$20,000 per annum. The appointment is terminable on three months' notice by either party. Michael Mainelli was appointed as a Director of the Company on

14 July 2014. 250,000 Ordinary Shares are held by Hawksford Jersey Limited for the trustees of the Z/Yen Employee Benefits Trust.

Electric Warrior Limited

Electric Warrior Limited, of which Nicholas Bryant is a director, entered into an agreement with the Company dated 28 November 2014 pursuant to which Nicholas Bryant will provide services as Chief Executive Officer to the Company. Pursuant to the agreement the Company agrees to pay Electric Warrior Limited a fee of US\$252,450 per annum. The appointment is terminable on six months' notice by either party. Nicholas Bryant was appointed as a Director of the Company on 9 June 2014.

Agreement with MoneySwap Plc

On 1 May 2014, the Company entered into an agreement for the provision of accounting services with MoneySwap Plc for a monthly fee of US\$2,000. Either party may terminate the agreement by giving one month's notice to the other party. Kung Min Lin is currently Chairman of MoneySwap Plc.

Consultancy agreement with Heng-Jui Lin

On 11 August 2015, CPDC and Heng-Jui Lin entered into a consultancy agreement pursuant to which, conditional on Admission, Heng-Jui Lin would provide certain services to CPDC as a consultant for an annual fee of US\$156,000, such agreement to last one year. Heng-Jui Lin is the brother of the Company's Chairman, Kung Min Lin, and is also the owner of Kolarmy Technology Inc, a Shareholder in the Company and in CPDC.

14.4 CPDC

Certain of CPDC's transactions and arrangements are with related parties and the effect of these, on the basis determined between the parties, is reflected in the financial information set out in Part IV of this document. The balances are unsecured, interest-free and repayable on demand unless otherwise stated:

14.4.1 During the three years ended 31 December 2014 Kolarmy had the following balances with CPDC:

	As at 31 December 2012 US\$	As at 31 December 2013 US\$	As at 31 December 2014 US\$
Debtor	—	—	1,650,561
Creditor	1,426,080	1,658,906	—

14.4.2 *Letter of novation with CPDC, Kolarmy and Kenmore*

At 28 February 2015, the amount owed to CPDC by Kolarmy was US\$3,282,801. At the same date, CPDC owed Kenmore US\$2,707,506. On 27 March 2015, CPDC, Kolarmy and Kenmore entered into a letter of novation pursuant to which it was agreed that a debt owed by CPDC to Kenmore would be novated to Kolarmy. As a result, the amount owed by Kolarmy to CPDC was reduced by US\$2,707,506. Kolarmy is a Shareholder of CPDC and a Shareholder of the Company. Kolarmy is also owned by Heng-Jui Lin, a Shareholder and the brother of the Company's Chairman, Kung Min Lin.

14.4.3 *Payments made to Kung Min Lin*

Kung Min Lin, the non-executive Chairman of the Company, is not a director of CPDC but assists with its management and has received a salary of US\$120,000 per annum from CPDC since 1 January 2013 for providing assistance with relationships.

Please also refer to the “related party” items set out in Parts I, IV and V of this document and in the financial information incorporated by reference into this document for further details of related party transactions.

15. Working Capital

The Directors, having made due and careful enquiry, are of the opinion that the working capital available to the Company and to the Enlarged Group will be sufficient for its present requirements, that is for at least twelve months from the date of Admission.

16. Litigation

Save as set out below, no member of the Enlarged Group has been involved in any governmental, legal or arbitration proceedings during the 12 months preceding this document, which may have, or have had in the recent past, significant effects on the Company’s and/or the Group’s financial position or profitability and there are no such proceedings of which the Company is aware which are pending or threatened.

Sihai Geju has been involved in a computer software development contract dispute, in which Sihai Geju was the plaintiff. In October 2013 the dispute was settled by civil mediation pursuant to which the parties agreed that the defendant would return a RMB150,000 service fee to Sihai Geju after which the computer development contract would be terminated.

17. Employees

As at the date at the end of the period covered by the financial information set out in Part IV of this document and the financial information incorporated by reference into this document, and as at the date of this document the Group had the following employees:

Group member	2012	2013	2014	As at the date of this document
PCGE	—	—	—	—
PCGEL	—	—	—	—
Jingtuo	—	—	—	—
Sihai Geju	—	—	9	9

The number of employees detailed above does not include the two Executive Directors, being Nick Bryant and Clive Hyman. Mr Hyman and Mr Bryant are not employees and their services are provided by Hyman Capital Services Limited and Electric Warrior Limited respectively.

As at the date at the end of the period covered by the financial information set out in Part IV of this document and as at the date of this document, CPDC had 4 employees.

On Admission, the Enlarged Group will have a total of 13 employees.

18. Intellectual Property Rights

Save as disclosed in this document the Enlarged Group does not have any intellectual property rights.

18.1 Domain Names

The Enlarged Group holds the following domain names:

www.pcge.com

www.sihaiplayer.com

18.2 Trademarks

The Enlarged Group has no registered trademarks.

19. Taxation

The following statements are intended only as a general guide current as at July 2015 to Gibraltar and to United Kingdom tax legislation and to the current practice of the HMRC and may not apply to certain categories of shareholder, such as dealers in securities. Levels and bases of taxation are subject to change. Any person who is in any doubt as to their tax position is strongly recommended to consult their professional advisers immediately.

19.1 Gibraltar tax considerations

19.1.1 Non-Gibraltar based shareholders will not be subject to Gibraltar tax on dividends received from the Company or gains made on disposals of shares in the Company. There will be no Gibraltar stamp duty on the issue of new shares in the Company or on the transfer of any share in the Company. There is a nominal £10 stamp duty payable upon the increase of the Company's share capital or loan capital.

19.1.2 There is no withholding tax levied in Gibraltar in connection with the securities.

19.2 United Kingdom taxation

19.2.1 General

- (a) The following paragraphs are intended as a general guide only and summarise advice received by the Directors about the UK tax position of Shareholders who are resident (and in the case of individuals ordinarily resident) in the UK, holding shares as investments and not as securities to be realised in the course of a trade. The paragraphs below are based on current UK legislation and HMRC practice. It should be noted that although a number of UK tax treatments referred to below refer to unquoted shares, shares on the AIM market are generally treated as unquoted for these purposes.
- (b) Any person who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK should consult their own professional adviser.
- (c) The information in these paragraphs is intended as a general summary of the UK tax position and, should not be construed as constituting advice.

19.2.2 The Company

- (a) It is the intention of the Directors to conduct the affairs of the Company such that the central management and control of the Company is not in the UK and so that the Company does not carry out any business in the UK.
- (b) On the assumption that this intention is realised, the Company should not be tax resident in or establish any taxable presence in the UK. On this basis the Company should not be liable to UK tax on its income or gains other than income deriving from a UK source.

19.2.3 Stamp Duty and Stamp Duty Reserve Tax

No stamp duty will be payable on the issue of Ordinary Shares. An instrument effecting or evidencing the issue or transfer of Ordinary Shares which is executed in the UK or, where executed outside of the UK, which relates to any matter or thing done in the UK may not, except in criminal proceedings, be given in evidence or be available for any purpose in the UK unless it is duly stamped. Whether or not an instrument is stamped, however, will not affect the registration of the transfer in the Company's registers of Ordinary Shares so long as that register is kept outside of the UK. No stamp duty reserve tax ("SDRT") will be chargeable on the issue or transfer of the Ordinary Shares where the Company's register of Ordinary Shares is kept outside of the UK. From 28 April 2014, SDRT is no longer chargeable on an agreement to transfer Depositary Interests representing the Ordinary Shares within CREST.

19.2.4 **Taxation of dividends**

- (a) Any individual who is a UK resident, ordinarily resident and domiciled Shareholder who receives a dividend paid by the Company will be liable to UK income tax on the gross amount of any such dividend. Dividend income from the Company will be treated as forming the highest part of a Shareholder's income. The income tax rates applicable to dividends are 10 per cent., 32.5 per cent. or 37.5 per cent. depending on the taxable income of the individual. For Shareholders with a shareholding of less than 10 per cent., dividends are paid net of a deemed tax credit of 10 per cent.. The effect of the tax credit is to reduce the effective tax rates to 0 per cent., 25 per cent. and approximately 30.56 per cent. respectively.
- (b) UK resident and ordinarily resident individuals who are not domiciled in the UK and pay tax on a remittance basis, will be taxed on dividends paid by the Company, but only if they are remitted to the UK. If remitted to the UK, the tax treatment will follow that outlined in paragraph 19.2.4(a) above.
- (c) A UK-tax resident corporate Shareholder of non-redeemable Ordinary Shares in the Company that receives a dividend paid by the Company will, in principle, be subject to corporation tax (currently the main rate of corporation tax is 20 per cent.) However the application of Part 9A of the Corporation Tax Act 2009, can exempt dividends from corporation tax under certain circumstances.
- (d) Trustees of discretionary trusts receiving dividends from shares are also liable to account for income tax on the gross dividend at the dividend trust rate, currently.
- (e) per cent. for an effective rate of approximately 30.56 per cent.
- (f) UK pension funds and charities are generally exempt from tax on dividends that they receive.

19.2.5 **Anti-avoidance**

A UK resident corporate Shareholder who, together with connected or associated persons, is entitled to at least 25 per cent. of the Ordinary Share capital of the Company should note the provisions of the Controlled Foreign Companies legislation contained in Part 9A of the Taxation (International and Other Provisions) Act 2010.

19.2.6 **Taxation of chargeable gains**

- (a) A UK resident, ordinarily resident and domiciled individual Shareholder who disposes (or is deemed to dispose) of all or any of their Ordinary Shares may be liable to capital gains tax in relation thereto at rates of up to 28 per cent., subject to any available exemptions or reliefs. In addition, an individual UK Shareholder who ceases to be resident or ordinarily resident in the UK for a period of less than five complete tax years and who disposes of the Ordinary Shares held prior to departure during that period of temporary non residence may, under anti-avoidance legislation, be liable to capital gains tax on his or her return to the UK.
- (b) UK resident and ordinary resident individuals who are not domiciled in the UK and pay tax on a remittance basis, will be taxed on any capital gains made by them on the disposal of shares in the Company, but only if the proceeds are remitted to the UK. If remitted to the UK, the tax treatment will follow that outlined in paragraph 19.2.6(a) above.
- (c) A UK resident corporate Shareholder disposing of its Ordinary Shares in the Company may be liable to corporation tax on chargeable gains arising on the

disposal at the corporation tax rate applicable to its taxable profits (the main rate of corporation tax is currently 20 per cent.).

- (d) In computing the chargeable gain liable to corporation tax the corporate Shareholder is entitled to deduct from the disposal proceeds the cost to it of the shares together with incidental costs of acquisition, as increased by an indexation allowance to adjust for inflation, and disposal costs.
- (e) The UK operates a substantial shareholding exemption regime which may apply to the disposal of shares in the Company subject to certain conditions being met.

19.2.7 Inheritance tax

Individuals and trustees subject to IHT in relation to a shareholding in the Company may be entitled to business property relief of up to 100 per cent. after a holding period of two years providing that all the relevant conditions for the relief are satisfied at the appropriate time.

20. The City Code and Regulation of Takeovers of Gibraltar Public Companies

The provisions of the City Code will not apply to the Company on Admission. It is emphasised that, although the Ordinary Shares will trade on AIM, the Company will not be subject to takeover regulation in the UK.

Shareholders may not therefore be afforded the protections of the City Code as they might have if they were shareholders in a company where a takeover is regulated by the Panel.

Takeovers of Gibraltar public companies are regulated by the following pieces of legislation:

20.1 Companies (Cross-Border Mergers) Regulations 2010 as amended and updated from time to time (the “Regulations”)

These regulations were enacted to transpose into the law of Gibraltar Directive 2005/56/EC of the European Parliament and of the Council of 26 October 2005 on cross-border mergers of limited liability companies. This EC Directive has also been incorporated into the laws of other EC member states, including in the United Kingdom by the Companies (Cross-Border Mergers) Regulations 2007. The Regulations in force in Gibraltar, in effect, mirror those in place in the United Kingdom.

The Regulations are designed to facilitate cross-border mergers of limited liability companies and to allow for cross-border merger of a national limited liability company with a limited liability company of another Member State.

Under the Regulations, a Gibraltar merging company has to make an application to the court to obtain a pre merger certificate prior to any merger taking place (“Pre Merger Certificate”). In order to obtain such a certificate the Gibraltar company must provide the court, *inter alia*, with:

- 20.1.1 draft terms of the proposed merger (indicating, *inter alia*, details for the companies involved, share exchange ratios, effects of the merger on employees, rights or restrictions on shares, articles of association, employee participation rights, assets and liabilities transferred and account dates) (the “Draft Terms”). The Draft Terms must be approved by 75 per cent. of the members of the Company;
- 20.1.2 a directors’ report (indicating, *inter alia*, the effects of a cross-border merger for members, creditors and employees, legal and economic grounds for the Draft Terms and any material interests of the directors). The report must be delivered to the employees of the company; and
- 20.1.3 an independent expert’s report (indicating, *inter alia*, details of share exchange ratios and valuation difficulties). The independent expert’s report is not required where the merger is a merger by absorption where 90 per cent. of the transferor’s securities are

held on behalf of the transferee, and the draft terms provide that the other holders of relevant securities has a right to require the transferee to acquire those securities, provided that in exercising such right, the consideration is fair and reasonable.

Employees of the Gibraltar company must be able to inspect and make copies of these documents.

The courts of Gibraltar may make an order approving the completion of a cross-border merger on the joint application of all the merging companies if:

- (a) an order for a Pre Merger Certificate (either granted by the courts in Gibraltar or another competent authority in another member state) has been made within 6 months;
- (b) the Draft Terms presented for acquiring the Pre Merger Certificate have not been amended; and
- (c) there are appropriate arrangements for employee participation in the transferee company in accordance with part 4 of the Regulations.

Such an order will specify the date on which the consequences of the cross-border merger are to have effect. A copy of this order must be provided to the Registrar of Companies of Gibraltar within 7 days of the order if this has been made in Gibraltar or within 14 days if this has been made in another member state.

The processing of personal data carried out in the context of the Regulations is subject to the Gibraltar Data Protection Act 2004.

20.2 Gibraltar Act

The takeover of a Gibraltar registered public company can take place via a scheme of arrangement under sections 295-352A of the Gibraltar Act). These sections of the Gibraltar Act provide, *inter alia* that an application must be made to court in order to convene a meeting of members of the Company where such an arrangement can be proposed between a company and its members. Draft terms of the merger as well as other reports and accounting statements would need to be prepared, filed with the Companies Registrar and published prior to such a meeting being convened. At such meeting, at least 75 per cent. of the members present in person or by proxy must approve the arrangement in order for a court to thereafter be able to sanction the same. If sanctioned, the court will also order the transfer of undertaking, property and/or liabilities of the transferor company in accordance with the terms of the scheme.

Quite separate to the above, another mechanism exists under section 352A of the Gibraltar Act which provides for the situation where a bidder proposes a scheme or contract to takeover the shares of a Gibraltar registered public company. If within four months from making such an proposal more than 90 per cent. of shareholders of a target company agree to the terms of such a scheme or contract, then the bidding company may within two months after the expiration of said four months give notice to the dissenting members of the target company that it will acquire their shares on the terms of the scheme or contract. A Gibraltar scheme of arrangement, therefore, eliminates the risk that a minority of less than 10 per cent. of the target company's shareholders may resist the transfer of their shares to the bidder. It should be noted, however, that such a scheme can be subject to the sanction of the court as any dissenting members may apply to court for an order seeking relief from such a scheme or contract.

20.3 Financial Services (Takeover Bids) Act 2006

The Financial Services (Takeover Bids) Act 2006 (the "FSTBA") partially transposes Directive 2004/25/EC of the European Parliament on takeover bids. However, this transposition has not, as yet, been fully completed under the laws of Gibraltar.

The FSTBA provides for a competent authority in Gibraltar to be responsible for supervising takeover bids. As presently enacted, however, section 4(2) of the FSTBA only provides for shared jurisdiction in supervising takeover bids (between the Gibraltar competent authority and the

competent authority of the regulated market) in circumstances where companies have their registered offices elsewhere in European Economic Area States (“EEA States”) outside Gibraltar and where the shares in such company are admitted to trading on a regulated market in Gibraltar. However, Gibraltar does not, as yet, have a regulated market. Accordingly, there is no provision for shared jurisdiction in respect of companies which have their registered office in Gibraltar and whose shares are admitted to trading on a regulated market in one or more EEA States. The position of a Gibraltar company having its shares listed on a recognised stock exchange in an EEA State for the purposes of the Directive 2004/25/EC would not therefore be covered by Gibraltar legislative provisions.

The Chief Legal Adviser to the Government of Gibraltar has previously confirmed that Article 4(2) (b) of the Directive 2004/25/EC will be fully transposed in due course but they have not provided timeframe for doing so. Moreover, the City Code makes no reference to Gibraltar whatsoever and does not contain the equivalent of section 23 of the Financial Services (Takeover Bids) Act 2006 (which specifically provides for the arrangements between the United Kingdom and Gibraltar). Therefore, in order to make a Gibraltar company subject to the City Code, the UK Treasury would have to amend the relevant UK legislation to ensure that Directive 2004/25/EC is completely implemented in the UK in relation to Gibraltar companies.

21. Crest and Depositary Interests

21.1 Introduction

CREST is a paperless settlement system allowing securities to be transferred from one person’s CREST account to another without the need to use share certificates or written instruments of transfer. Securities issued by non-UK registered companies, such as the Company, cannot be held or transferred in the CREST system. However, to enable investors to settle such securities through CREST, a Depositary (itself or through its nominated custodian) can hold the relevant securities and issue dematerialised DIs representing the underlying securities which are held on trust for the holders of the DIs.

It is possible for CREST members to hold and transfer interests in Ordinary Shares within CREST pursuant to a DI arrangement established by the Company with the Depositary. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will also be able to do so. No temporary documents of title will be issued.

The Ordinary Shares will not themselves be admitted to CREST. Instead the Depositary will issue DIs in respect of the underlying Ordinary Shares. The DIs will be independent securities constituted under English law which may be held and transferred through CREST. DIs will have the same international security identification number (ISIN) as the underlying Ordinary Shares and will not require a separate listing on AIM. The DIs will be created and issued pursuant to the DI Deed Poll, which will govern the relationship between the Depositary and the holders of DIs.

Application will be made for the DIs in respect of the underlying Ordinary Shares to be admitted to CREST with effect from Admission. Holders of Ordinary Shares in certificated form who wish to hold DIs through the CREST system may be able to do so and should contact the Registrar.

21.2 Summary of the DI Deed Poll

As mentioned above, the DIs are and/or will be (as appropriate) created pursuant to and issued on the terms of the DI Deed Poll. The DI Deed Poll is executed by the Depositary, in favour of the holders of the DIs from time to time. Current and/or prospective holders of DIs should note that they will have no rights against Euroclear or its subsidiaries in respect of the underlying Ordinary Shares or the DIs representing them.

Ordinary Shares will be transferred to an account of the Depositary or its nominated custodian (the “Custodian”) and the Depositary will issue DIs to participating members.

Each DI will be treated as one Ordinary Share for the purposes of determining, for example, eligibility for any dividends. The Depositary will pass on to holders of DIs any stock or cash

benefits received by them as holder of Ordinary Shares on trust for such DI holder. DI holders will also be able to receive from the Depositary notices of meetings of holders of Ordinary Shares and other information to make choices and elections issued by the Company to the Shareholders.

In summary, the DI Deed Poll contains, *inter alia*, provisions to the following effect:

- 21.2.1 The Depositary will hold (themselves or through the Custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities for the time being held by the Depositary or Custodian pertaining to the DIs for the benefit of the holders of the DIs. The Depositary will re-allocate securities or distributions allocated to the Depositary or the Custodian *pro rata* to the Ordinary Shares held for the respective accounts of the holders of DIs but will not be required to account for fractional entitlements arising from such re-allocation.
- 21.2.2 Holders of DIs warrant, *inter alia*, that the securities in the Company transferred or issued to the Custodian on behalf of the Depositary for the account of the DI holder are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company's Articles or any contractual obligation, or applicable law or regulation binding or affecting such holder.
- 21.2.3 The Depositary and any Custodian must pass on to DI holders, or exercise on their behalf, so far as it is reasonably able, all rights and entitlements received by the Depositary or the Custodian in respect of the underlying securities. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at meetings shall, subject to the DI Deed Poll, be passed on in the form in which they are received, together with amendments and additional documentation necessary to effect such passing-on, or exercised in accordance with the DI Deed Poll. If arrangements are made which allow a holder to take up rights in the Company's securities requiring further payment, the holder must pay the Depositary in cleared funds before the relevant payment date or other date notified by the Depositary if it wishes the Depositary to exercise such rights.
- 21.2.4 The Depositary will be entitled to cancel DIs and treat the holders as having requested a withdrawal of the underlying securities in certain circumstances including where a DI holder fails to furnish to the Depositary such certificates or representations as to material matters of fact, including his identity, as the Depositary deems appropriate.
- 21.2.5 The DI Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any DI holder or any other person for liabilities in connection with the performance or non-performance of obligations under the DI Deed Poll or otherwise except as may result from their negligence or wilful default or fraud or that of any person for whom they are vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any Custodian or agent which is not a member of its group unless the Depositary has failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent. Furthermore, the Depositary's liability to a holder of DIs will be limited to the lesser of:
 - (a) the value of the shares and other deposited property properly attributable to the DIs to which the liability relates; and
 - (b) that proportion of £10 million which corresponds to the portion which the amount the Depositary would otherwise be liable to pay to the DI holder bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission, or event or, if there are no such amounts, £10 million.

- 21.2.6 The Depositary is entitled to charge holders of DIs fees and expenses for the provision of their services under the DI Deed Poll.
- 21.2.7 The holders of DIs are required to agree and acknowledge with the Depositary that it is their responsibility to ensure that any transfer of DIs by them which is identified by the CREST system as exempt from stamp duty reserve tax is so exempt, and to notify the Depositary if this is not the case, and to pay to Euroclear any interest, charges or penalties arising from non-payment of stamp duty reserve tax in respect of such transaction.
- 21.2.8 Each holder of DIs is liable to indemnify the Depositary and any Custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the DI Deed Poll so far as they relate to the DIs (and any property or rights held by the Depositary or Custodian in connection with the DIs) held by that holder, other than those resulting from the wilful default, negligence or fraud of the Depositary, or the Custodian or any agent if such Custodian or agent is a member of the Depositary's Group or if, not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use of such Custodian or agent.
- 21.2.9 The Depositary is entitled to make deductions from any income or capital arising from the underlying securities, or to sell such underlying securities and make deductions from the sale proceeds therefrom, in order to discharge the indemnification obligations of DI holders.
- 21.2.10 The Depositary may terminate the DI Deed Poll by giving not less than 30 days' notice. During such notice period holders may cancel their DIs and withdraw their deposited property and, if any DIs remain outstanding after termination, the Depositary must, among other things, deliver the deposited property in respect of the DIs to the relevant DI holders or, at its discretion sell all or part of such deposited property. They shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the DI Deed Poll *pro rata* to holders of DIs in respect of their DIs.
- 21.2.11 The Depositary or the Custodian may require from any holder information as to the capacity in which DIs are or were owned and the identity of any other person with or previously having any interest in such DIs and the nature of such interest and evidence or declarations of nationality or residence of the legal or beneficial owners of DIs and such information as is required for the transfer of the relevant Ordinary Shares to the holders. Holders agree to provide such information requested and consent to the disclosure of such information by the Depositary or Custodian to the extent necessary or desirable to comply with their legal or regulatory obligations. Furthermore, to the extent that the Company's Articles require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of the Company's securities, the holders of DIs are to comply with the Company's instructions with respect thereto.

22. General

- 22.1 It is estimated that the total costs and expenses payable by the Company in connection with or incidental to Admission including London Stock Exchange fees, printing, advertising and distribution costs, legal, accounting and corporate finance fees are estimated to amount to approximately £0.74 million (excluding any VAT payable thereon).
- 22.2 Sanlam Securities, the nominated adviser, has given and not withdrawn their written consent to the inclusion in this document of references to their name in the form and context in which they appear.
- 22.3 Beaufort Securities, the broker, has given and not withdrawn their written consent to the inclusion in this document of references to their name in the form and context in which they appear.

- 22.4 Nexia Smith & Williamson, the reporting accountants of the Company, has given and not withdrawn its written consent to the issue of this document with its name included in it and with the inclusion therein of its reports and references thereto in the form and context in which it is included.
- 22.5 Benady Cohen & Co Limited of 21 Engineer Lane, Gibraltar were appointed statutory auditors of the Company on 17 July 2014 and have audited the statutory accounts of the Company for the period from 25 May 2012 (its date of incorporation) to 31 December 2012 and the year to 31 December 2013, and have been auditors from 1 January 2014 to 31 December 2014 and continue to act as statutory auditors of the Company and have audited the statutory accounts of the Company for the year to 31 December 2014. The directors of Benady Cohen & Co Limited are all FCA or FCCA qualified under the Institute of Chartered Accountants in England & Wales and the Association of Chartered Certified Accountants respectively.
- 22.6 Save as disclosed in this document, including those items incorporated by reference, there are no patents or other intellectual property rights, know-how, licences or industrial, commercial or financial contracts which are or may be of fundamental importance to the Enlarged Group's business.
- 22.7 Save as disclosed in this document, including those items incorporated by reference, the Directors are not aware of any environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.
- 22.8 Save as disclosed in this document, including those items incorporated by reference, there has been no significant change in the trading or financial position of the Group since 31 December 2014, being the date to which the financial information on PCGE incorporated by reference into this document, is made up.
- 22.9 Save as disclosed in this document, including those items incorporated by reference, there has been no significant change in the trading or financial position of CPDC since 31 December 2014, being the date to which the financial information in Part IV of this document, is made up.
- 22.10 Save as disclosed in this document, including those items incorporated by reference, there have been no significant recent trends in production, sales and inventory, and costs and selling prices since end of 31 December 2014, and there are no known trends reasonably likely to have a material effect on the Company's or CPDC's prospects for the current financial year.
- 22.11 The Ordinary Shares are in registered form and may be held in certificated or, through Depository Interests, uncertificated form. No temporary documents of title will be issued. The ISIN number of the Ordinary Shares is GI000A1171Y8.
- 22.12 Save as disclosed in this document, including those items incorporated by reference, no person (excluding professional advisers otherwise disclosed in this document, including those items incorporated by reference and trade suppliers) has:
- 22.12.1 received directly or indirectly from the Company within twelve months preceding the Company's application for Admission; or
- 22.12.2 entered into contractual arrangements (not otherwise disclosed in this document, including those items incorporated by reference) to receive, directly or indirectly, from the Company on or after Admission, any of the following:
- (a) fees totalling £10,000 or more; or
- (b) securities in the Company with a value of £10,000 or more calculated by reference to the expected opening price of the Ordinary Shares on Admission; or
- (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 22.13 Save as disclosed in this document, including those items incorporated by reference, since the period ended 31 December 2014 covered by the historical financial information on PCGE, which

is deemed to be incorporated into this document by reference, and since the period ended 31 December 2014 covered by the historical financial information relating to CPDC set out in Part IV of this document, the Enlarged Group has made no investments and there are no investments in progress of the Enlarged Group which are or may be significant.

- 22.14 Save as disclosed in this document, including those items incorporated by reference, the Directors are not aware of any exceptional factors that have influenced the Company's or CPDC's activities.
- 22.15 The Company's accounting reference date is 31 December.
- 22.16 The financial information relating to CPDC for the relevant accounting period set out in Part IV of this document and the financial information relating to PCGE incorporated by reference in this document do not constitute statutory accounts of CPDC, PCGE or the Enlarged Group within the meaning of section 434 of the Act and no financial information contained in this document or incorporated by reference into this document is intended by the Company to represent or constitute a forecast of profits by the Company, CPDC or any member of the Enlarged Group.
- 22.17 No financial information contained in this document is intended by the Company to represent or constitute a forecast of profits by the Company or any member of the Enlarged Group or to constitute publication of accounts by it.
- 22.18 Save as disclosed in this document, including those items incorporated by reference, the Company is not aware of any arrangements which may at a subsequent date result in a change of control of the Company.
- 22.19 Save as disclosed in this document, including those items incorporated by reference, there are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.
- 22.20 Save as disclosed in this document, including those items incorporated by reference, no public takeover bids have been made by third parties in respect of the Company's issued share capital since its incorporation up to the date of this document.
- 22.21 Insofar as the Directors are aware, the percentage of Ordinary Shares not in public hands (as that expression is defined in the AIM Rules for Companies) on Admission is expected to be approximately 38.75 per cent.
- 22.22 Save as disclosed in this document, including those items incorporated by reference, there are not, either in respect of the Company or its subsidiaries or CPDC, any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's or CPDC's prospects for at least the current financial year.
- 22.23 Save as disclosed in this document, including those items incorporated by reference, there are no mandatory takeover bids and/or squeeze out and sell-out rules in relation to the Ordinary Shares.
- 22.24 Save for the information set out in Part IV of this document and the information incorporated by reference into this document, no other audited information is included in this document.
- 22.25 The Directors are not aware of any other information that they should reasonably consider as necessary for investors to form a full understanding of: (i) the assets and liabilities, financial position, profits and losses, and prospects of the Company or CPDC and the securities for which Admission is being sought; (ii) the rights attached to those securities; and (iii) any other matter contained herein.

PART VI

NOTICE OF GENERAL MEETING

PCG Entertainment Plc
G1 Haven Court
5 Library Ramp
Gibraltar

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT a general meeting (the “**Meeting**”) of the holders of ordinary shares (“**Ordinary Shares**”) of PCG Entertainment Plc (the “**Company**”) will be held at G1 Haven Court, 5 Library Ramp, Gibraltar on 26 August 2015 at 10.00 a.m. (CET) for the following purpose:

Special Business

Ordinary Resolution – approval of the acquisition

1. That:

- 1.1 the acquisition by the Company’s subsidiary, PCG Software Services Ltd, of the entire issued share capital of Center Point Development Corp. in accordance with the terms of the Acquisition Agreement (as such term is defined in the admission document of the Company dated 11 August 2015 of which this notice forms part), be and is hereby approved for the purpose of Rule 14 of the AIM Rules for Companies; and
- 1.2 the Directors be and are hereby authorised to complete such agreement, subject to such modifications as the Directors may deem appropriate, and to execute, sign and do all such other documents, deeds, acts and things as may be necessary or desirable to complete the aforesaid transaction.

DATED 11 August 2015.

BY ORDER OF THE BOARD OF DIRECTORS

**PCG Entertainment Plc
G1 Haven Court
5 Library Ramp
Gibraltar**

Proxies and Form of Direction for Depositary Interest Holders

1. A member entitled to attend and vote at the meeting may appoint a proxy. A proxy need not be a member of the Company and such appointment will not preclude a member from attending and voting at the meeting in person.
2. The Form of Proxy for use at the meeting is enclosed with this document and should be returned as soon as possible and, in any event, so as to be received at the offices of the Company's registrars, PXS 1, 34 Beckenham Road, Kent BR3 4TU as soon as possible but in any event not later than 10.00 a.m. (CET) on 24 August 2015 being 48 hours before the time appointed for the holding of the meeting. The completion and depositing of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting should you wish to do so.
3. If you are a holder of Depositary 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 Depositary, Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Kent, BR3 4TU as soon as possible but in any event should arrive not later than 10.00 a.m. (CET) on 24 August 2015.
4. The Form of Proxy must be signed by the member or, in the case of joint holders, any one of them. The notice of meeting shall prevail over any description of the business of the meeting set out in the Form of Proxy.
5. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

