UNAUDITED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2016

PCG Entertainment Plc

Chief Executive Officer's Statement

I am pleased to announce interim results for PCG Entertainment plc ("PCGE") for the six month period ending 30 June 2016 ("the period"). The Company remains focused on the development of business in the media, sports and gaming industry across the Asia-Pacific region.

During the period, revenue of US$8,616,129, entirely from the Centre Point Development Corporation (CPDC) part of the business, generated a gross profit of US$3,832,327, which, after expenses, nets to an operating loss of US$488,492. The loss is generated by a provision of $2,208,153 against this amount of receivables by Centre Point Development Corp which is currently being disputed by the customer. This was noted in the trading updates published on 31st May and 6th June 2016. This has now been provided for in full as a doubtful debt though the Directors continue to work towards an amicable solution.

PCGE expect ongoing revenues from CPDC in the second half of 2016 as the Company launches its own games management platform. The Board is in ongoing talks with potential sports and media projects and will update the market as these develop.

We have noted comments on social platforms and some bulletin boards asking why shareholders have not been updated. Under the rules of AIM we are unable to comment continuously on deals we are working on which may or may not come to fruition nor are we able to comment on any fundraising initiatives which may or may not be realised. As always we will update the market as soon as we are able to do so on all PCGE's initiatives.

Nicholas Bryant
Director, CEO

PCG Entertainment Plc

Consolidated Income Statement
for the six months ended 30 June 2016

	Notes	Unaudited Six months ended 30 June 2016 US$	Unaudited Six months ended 30 June 2015 US$	Audited Year ended 31 December 2015 US$
Revenue		8,616,129	745,220	10,952,133
Cost of sales		(4,783,802)	(488,506)	(8,146,905)
Gross profit		3,832,327	256,714	2,805,228
Administrative expenses		(4,320,819)	(1,442,294)	(4,261,166)
Operating loss	2	(488,492)	(1,185,580)	(1,455,938)
Readmission costs		-	(1,176,000)	-
Goodwill impairment		-	-	(250,000)
Foreign exchange loss		(248,274)	(92,139)	(297,672)
Interest payable		(9,000)	(28,950)	(28,947)
Loss on ordinary activities before taxation		(745,766)	(2,482,669)	(2,032,557)
Tax on loss on ordinary activities		-	-	-
Retained loss for the period		(745,766)	(2,482,669)	(2,032,557)
Loss per share:		**US$**	**US$**	**US$**
Basic and diluted (US cents)	3	(0.001)	(0.23)	(0.18)

There are no recognised gains or losses other than disclosed above and there have been no discontinued activities in the period.

PCG Entertainment Plc

Consolidated Statement of Financial Position
as at 30 June 2016

	Notes	Unaudited 30 June 2016 US$	Unaudited 30 June 2015 US$	Audited 31 December 2015 US$
ASSETS:				
Current assets				
Trade and other receivables	4	2,717,315	864,799	2,635,559
Cash and cash equivalents		60,502	719,617	262,473
		2,777,817	1,584,416	2,898,032
Non-current assets				
Intangible assets	5	11,310,000	21,564,000	12,305,000
Property, plant and equipment		1,836	8,676	2,222
		11,311,836	21,572,676	12,307,222
Total assets		14,089,653	23,157,092	15,205,254
LIABILITIES AND EQUITY:				
Current liabilities	6	1,428,913	2,020,485	2,431,567
Non-current liabilities	7	-	9,005,433	-
Equity				
Share capital	8	2,108,394	1,722,684	1,911,834
Share premium		24,277,686	17,321,417	23,933,706
Equity to be issued reserve		-	9,590,000	-
Other reserves		-	40,420	-
Share based payment reserve	9	309,408	309,408	309,408
Foreign currency translation reserve		117,759	4,098	25,480
Issued shares reserve		-	(3,000,000)	-
Retained earnings		(14,152,507)	(13,856,853)	(13,406,741)
		12,660,740	12,131,174	12,773,687
Total liabilities and equity		14,089,653	23,157,092	15,205,254

PCG Entertainment Plc

Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2016

		Unaudited Six months ended 30 June 2016 US$	Unaudited Six months ended 30 June 2015 US$	Audited year ended 31 December 2015 US$
Loss for the period	**Notes**	(745,766)	(2,482,669)	(2,032,557)
Other comprehensive income				
Other comprehensive income that is reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations		92,279	5,303	26,685
Other comprehensive income for the period, net of tax		92,279	5,303	26,685
Total comprehensive loss for the period attributable to equity holders of the parent		(653,487)	(2,477,366)	(2,005,872)

PCG Entertainment Plc

Consolidated Statement of Changes in Equity
for the six months ended 30 June 2016

	Share Capital US$	Share Premium US$	Equity to be issued Reserve US$	Foreign Currency Translation Reserve US$	Share based Payment Reserve US$	Issued Reserve US$	Other Reserves US$	Retained Earnings US$	Total Equity US$
Balance at 1 January 2016	1,911,834	23,933,706	-	25,480	309,408	-	-	(13,406,741)	12,773,687
Retained loss for the period	-	-	-	-	-	-	-	(745,766)	(745,766)
Foreign exchange differences on Translation	-	-	-	92,279	-	-	-	-	92,279
Shares issued during the period	196,560	343,980	-	-	-	-	-	-	540,540
Balance at 30 June 2016	2,108,394	24,277,686	-	117,759	309,408	-	-	(14,152,507)	12,660,740

	Share Capital US$	Share Premium US$	Equity to be issued Reserve US$	Foreign Currency Translation Reserve US$	Share based Payment Reserve US$	Issued Reserve US$	Other Reserves US$	Retained Earnings US$	Total Equity US$
Balance at 1 January 2015	1,722,684	17,321,417	-	(1,205)	309,408	(3,000,000)	40,420	(11,374,184)	5,018,540
Retained loss for the period	-	-	-	-	-	-	-	(2,482,669)	(2,482,669)
Foreign exchange differences on Translation	-	-	-	5,303	-	-	-	-	5,303
Shares to be issued upon transaction completion	-	-	9,590,000	-	-	-	-	-	9,590,000
Balance at 30 June 2015	1,722,684	17,321,417	9,590,000	4,098	309,408	(3,000,000)	40,420	(13,856,853)	12,131,174

PCG Entertainment Plc

Consolidated Statement of Changes in Equity
for the six months ended 30 June 2016

	Share Capital US$	Share Premium US$	Equity to be issued Reserve US$	Foreign Currency Translation Reserve US$	Share based Payment Reserve US$	Issued Reserve US$	Other Reserves US$	Retained Earnings US$	Total Equity US$
Balance at 1 January 2015	1,722,684	17,321,417	-	(1,205)	309,408	(3,000,000)	40,420	(11,374,184)	5,018,540
Comprehensive loss for the period	-	-	-	-	-	-	-	(2,032,557)	(2,032,557)
Foreign exchange differences on Translation	-	-	-	26,685	-	-	-	-	26,685
Transfer of equity element of convertible loan note	-		-	-	-	-	(40,420)	-	(40,420)
Transfer of shares to be issued reserve	-	(3,000,000)	-	-	-	3,000,000	-	-	-
Write back of unpaid share capital not received	-	(104,196)	-	-	-	-	-	-	(104,196)
Shares issued during the year	189,150	9,716,485	-	-	-	-	-	-	9,905,635
Balance at 31 December 2015	1,911,834	23,933,706	-	25,480	309,408	-	-	(13,406,741)	12,773,687

PCG Entertainment Plc

Consolidated Statement of Cash Flows
for the six months ended 30 June 2016

	Unaudited Six months ended 30 June 2016 US$	Unaudited Six months ended 30 June 2015 US$	Audited Year ended 31 December 2015 US$
Cash flows from operating activities			
Operating loss	(745,766)	(2,482,669)	(2,032,557)
Reconciliation to cash generation from operations:			
Amortisation	995,000	150,000	1,145,000
Interest expense	9,000	28,950	-
Decrease / (increase) in receivables	449,784	368,648	(2,573,943)
(Decrease) / increase in payables	(1,002,654)	(150,947)	383,782
Depreciation	386	3,004	1,330
Loss and disposal of assets	-	-	8,128
Impairment of investment	-	-	250,000
Gain on convertible loan notes	-	-	(234,461)
Shares issued in lieu of amounts payable	-	-	15,636
Cash absorbed in operations	(294,250)	(2,083,014)	(3,037,085)
Cash flows from investing activities			
Net acquisitions	-	(393,507)	(590,900)
Net cash flow from investing activities	-	(393,507)	(590,900)
Cash flows from financing activities			
Interest paid	-	(28,950)	-
Share proceeds received from 2015 unpaid share capital	-	-	815,027
Repayment of convertible loan	-	-	(200,000)
Interest on convertible loan note	-	-	28,961
Net cash flow from financing activities	-	(28,950)	643,988
Effect of exchange rates on cash and cash equivalents	92,279	5,303	26,685
Net decrease in cash	(201,971)	(2,500,168)	(2,957,312)
Cash at bank and in hand at beginning of the period	262,473	3,219,785	3,219,785
Cash at bank and in hand less overdrafts at end of the period	60,502	719,617	262,473

PCG Entertainment Plc

Notes to the Consolidated Financial Statements
for the six months ended 30 June 2016

1 Basis of preparation

The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015 which have been prepared in accordance with IFRSs as adopted by the European Union.

The operations of PCG Entertainment Plc ("PCGE") are not affected by seasonal variations.

The directors do not recommend the payment of a dividend (30 June 2015: US$ nil).

Non-statutory accounts

The financial information for the six months ended 30 June 2016 set out in this interim report does not comprise the Group's statutory accounts.

Audited consolidated financial information for the year ended 31 December 2015 has been extracted from the consolidated financial information on the Group for the year then ended. Abridged accounts for the Company have been filed in Gibraltar.

The financial information for the six months ended 30 June 2016 and 30 June 2015 is unaudited.

2 Operating loss

	Unaudited Six Months ended 30 June 2016 US$	**Unaudited Six months ended 30 June 2015 US$**	**Audited Year ended 31 December 2015 US$**
This is stated after charging:			
Depreciation of tangible fixed assets	382	3,004	1,330
Amortisation of intangible fixed assets	995,000	150,000	1,145,000
Director's remuneration	209,567	217,291	620,000

3 Weighted average loss per share

	Unaudited Six months ended 30 June 2016 US$	**Unaudited Six months ended 30 June 2015 US$**	**Audited Year ended 31 December 2015 US$**
Retained loss attributable to ordinary shareholders	(745,766)	(2,482,669)	(2,032,557)
Weighted average number of common shares in issue during the period:			
Issued ordinary shares at the beginning of the period	1,180,438,344	1,062,147,877	1,062,147,877
Effect of share issues	794,834	-	40,510,434
Weighted average number of ordinary shares at the period end	1,181,233,178	1,062,147,877	1,180,438,344
Basic loss per share (US cents)	(0.001)	(0.23)	(0.18)

3 Weighted average loss per share (continued)

Basic loss per share have been calculated by dividing the net results attributable to ordinary shareholders by the weighted average number of shares in issue during the period as disclosed in note 8. Due to the Group being loss making, the warrants and convertible loan notes are anti-dilutive.

4 Trade and other receivables

	Unaudited 30 June 2016 US$	Unaudited 30 June 2015 US$	Audited 31 December 2015 US$
Trade receivables	1,774,503	745,338	2,305,567
Proceeds from share allotment not received	540,541	104,196	-
Other receivables	309,946	-	274,823
Prepayments and accrued income	92,325	15,265	55,169
	2,717,315	864,799	2,635,559

The directors have recognised a provision of $2,208,153 against trade receivables included in Centre Point Development Corp (‘*CPDC*’) which totals $3,982,656 before taking account of the provision. The directors have recognised this provision as a principal customer is in dispute with Company over trading terms previously agreed and that whilst the Company is working to and expects to resolve this ongoing matter, the Company is currently owed certain receivables, which if not received may place further pressure on the Company’s trading operations.. Negotiations continue between the parties and the Directors expect to reach an amicable settlement.

5 Intangible assets

	Licence US$	Gaming licenses & customer relationships US$	Total US$
Cost			
At 1 January 2016	3,500,000	9,950,000	13,450,000
Additions	-	-	-
At 30 June 2016	3,500,000	9,950,000	13,450,000
Amortisation			
At 1 January 2016	-	1,145,000	1,145,000
Charge for the period	-	995,000	995,000
At 30 June 2016	-	2,140,000	2,140,000
Net book value			
At 30 June 2016	3,500,000	7,810,000	11,310,000

5 Intangible assets (continued)

	Licence US$	Gaming licenses and customer relationships US$	Total US$
Cost			
At 1 July 2015	3,500,000	18,214,000	21,714,000
Reduction in deferred consideration	-	(8,264,000)	(8,264,000)
At 31 December 2015	3,500,000	9,950,000	13,450,000
Amortisation			
At 1 July 2015	-	150,000	150,000
Charge for the period	-	995,000	995,000
At 31 December 2015	-	1,145,000	1,145,000
Net book value			
At 30 June 2015	3,500,000	18,064,000	21,564,000
At 31 December 2015	3,500,000	8,805,000	12,305,000

The Directors of PCGE are of the opinion that the licences which have been put in place are worth US$3,500,000 and accordingly have recognised an asset in the consolidated financial statements. The Directors consider that the intangible assets have an indefinite useful life and therefore are subject to an annual impairment review.

As part of the acquisition of CPDC, the group recognised intangible assets of US$9,950,000. In accordance with IFRS 3, the directors are obliged to analyse and classify this into its component assets and determine their fair values. This exercise should be completed within one year of acquisition. The directors have not been able to finalise this assessment and it will be completed in accordance with IFRS 3 in the second half of 2016. The directors have, in these financial statements, included the intangible assets as one asset class with an estimated useful life of 5 years and applied an appropriate amortisation charge which will be corrected in 2016 once the valuation and assessment of useful life have been completed.

6 Current liabilities

	Unaudited 30 June 2016 US$	Unaudited 30 June 2015 US$	Audited December 2015 US$
Other payables including taxation and social security	1,128,602	1,806,745	2,057,889
Accruals and deferred income	300,311	213,740	373,678
	1,428,913	2,020,485	2,431,567

Included in other payables is a loan note due to Kolarmy Technology Inc (“Kolarmy”). The Loan Note bears interest at 6%. A conversion option allows Kolarmy to demand that the Loan Note be settled by the allotment of ordinary shares, based on the average closing price of the Company's shares in the preceding five days of trading prior to the date of Kolarmy's notice to the Company.

PCG Entertainment Plc

Notes to the Consolidated Financial Statements
for the six months ended 30 June 2016

7 Non-current liabilities

	Unaudited 30 June 2016 US$	Unaudited 30 June 2015 US$	Audited 31 December 2015 US$
Deferred acquisition consideration	-	8,264,000	-
Other payables including taxation and social security	-	741,433	-
	-	9,005,433	-

8 Share capital

	Unaudited 30 June 2016 US$	Unaudited 30 June 2015 US$	Audited 31 December 2015 US$
Authorised:			
Ordinary shares of GBP 0.001 (US$ 0.0016) each	3,000,000	3,000,000	3,000,000
Allotted and called up:			
1,325,892,889 ordinary shares of GBP 0.001 each (30 June 2015: 1,062,147,877; 31 December 2015: 1,180,438,344)	2,108,394	1,722,684	1,911,834

During the period the company issued 145,454,545 ordinary shares at a premium of 0.18p per share on 30 June 2016 for cash.

9 Share based payments

The Company issued warrants to service providers on 28 November 2014 in connection with its admission to AIM ("Service Provider Warrants"). Each warrant is convertible into one new ordinary share at an exercise price of 6p per share and may be exercised between 4 December 2014, being the date of admission to AIM, and 4 December 2019.

The Company also granted two warrants for every ordinary share subscribed for on the date of admission to AIM ("Subscriber Warrants").

Details of the warrants in issue during the period:	30 June 2016 Number	30 June 2015 Number	31 December 2015 Number
Service provider warrants (exercise price £0.06)	12,660,248	12,660,248	12,660,248
Subscriber Warrants (exercise price £0.06)	-	113,666,668	113,666,668
	12,660,248	126,326,916	126,326,916

Fair value of the Service Provider Warrants is measured by use of the Black & Scholes model with the assumption of 60% future market volatility, future interest rate of 5.6% per annum and no dividend yield It is also assumed that the warrants will be exercised within one year of issue. The fair value of the Service Provider Warrants granted was US$309,408 (30 June 2015: US$309,408).

10 Supplier dispute

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

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

As announced on 31 May 2016 this resulted in a dispute between the Company and the Supplier, as the Supplier is (despite the signed agreement between the Company, the Supplier and Kolarmy which absolved the Company of any responsibility for the Debt) seeking repayment of the Debt from the Company.

The directors do not consider this claim to be a contingent liability but at the date of this report the dispute is ongoing.

11 Distribution of the Interim Report

Copies of this announcement may be obtained from the Company Secretary at the registered office: G1 Haven Court, 5 Library Ramp, Gibraltar.