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

15 August 2017

PCG Entertainment Plc

("PCGE" or the "Company")

PCG Entertainment Plc / Index: AIM / Epic: PCGE

Final Results for the 15-month period to 31 March 2017

PCG Entertainment Plc (AIM: PCGE), is pleased to announce its final results for the 15-month period to 31 March 2017 (the "Period"), together with the publication of its audited report and accounts for the Period (the "Annual Report").

The Annual Report has been published on the Company's website, www.pcge.com, in accordance with the provisions on the Company's articles of association, and shareholders are thus duly notified.

**Highlights**

Financial Overview

- On 21 April 2017, the Company announced a change to the Company's accounting reference date from 31 December to 31 March. This change was made to allow for the disposal of Center Point Development Corp ("CPDC") to be included within the Annual Report. As a result of this change, these audited results are for the 15-month period from 1 January 2016 to 31 March 2017. Going forward PCGE will revert to a normal biannual reporting calendar based on a 31 March year end.

- These accounts show that there was no revenue earned by the Company in the period and, as CPDC was disposed of in the period, the 2015 comparatives reflecting this have accordingly been restated.

- The Group incurred administrative expenses of US$5,926,477 during the period which includes the impairment of US$3,500,000 relating to the gaming and media content licenses held in China. The 2015 expenses, which include costs related to re-admission to the AIM, Market have also been restated at US$2,563,812 to exclude CPDC expenses.

- The Company's current cash position is just over US$2m.

- The current Directors are all paid minimal salaries and, at the Company's option, these can be settled through the issue of ordinary shares of 0.1 pence each in the Company ("Ordinary Shares").

- Subsequent to the sale of CPDC, the Company has successfully raised further funds through three further placings of new Ordinary Shares to raise gross proceeds of £750,000, £350,000 and £400,000 respectively. These were placed specifically with substantially different groups to ensure a balance of interests in the Company.

General Highlights

- As confirmed in various announcements the Group retains its various licenses for operating games and other media content in the People's Republic of China. The structure to exploit these, or other opportunities in the People's Republic of China, remains in place with the Wholly Foreign Owned Enterprise ("WOFE") and Variable Interest Entity ("VIE") structure.

- The Group also retains a gambling license from the Kahnawake Gaming Commission of the Mohawk Council of the Kahnawake Nation. This is held in a separate Gibraltar company, which is a wholly owned subsidiary of PCGE. This is valued at cost in these accounts.

Board of Directors

- The service contract with Electric Warrior Ltd, which provided Mr Nicholas Bryant's services as CEO, was terminated in March 2017. Recently Mr Bryant has brought an Employment Tribunal claim against the Company and Michael Mainelli and Richard Poulden personally. The Board are taking legal advice on this situation and are resisting Mr Bryant's claims, as they believe they have no merit, and will issue further updates on this as soon as they are able to do so. (See announcements of 16 March and 15 June 2017.)

Comment - Chairman Richard Poulden

"This has been a difficult year, and firstly I'd like to thank our shareholders for their patience and understanding. I'd also like to thank our new shareholders, who have committed to supporting PCGE on the basis of their faith in the expertise and experience of the current Board. From the moment we knew we had a deal to divest CPDC, the Board and I began to consider ways forward for the Company to provide value for shareholders.

Some of the directors of PCGE have done this before with quoted companies at the bottom of a cycle: Sirius Minerals and Wishbone Gold for example. One of the important aspects of this process is not to grab the first deal which comes along, but to look at opportunities across a range of different industries and geographic locations. Accordingly, the Board has reviewed, and will continue to review, a number of possible avenues for the future of PCGE.

We look forward to reporting further good news in coming months."

**Delay in Publication and Audit Qualifications**

The inability to finalise the Annual Report prior to 30 June 2017, as had originally been intended, was primarily due to complexities surrounding the disposal of its former subsidiary, CPDC, as announced on 11 January and 21 February 2017.

The statutory audit of the company accounts of PCG Entertainment Plc contains a clean audit opinion and both the accounts and audit were signed off on 31 July 2017. The report on the audit of the consolidated financial statements for the Company and its subsidiaries during the Period (the "Group") contains a qualified opinion relating to CPDC for the following reasons.

1. On 21 February 2017, the Group disposed of its subsidiary, CPDC. As was known prior to the audit, the Group's auditors have been unable to have access to the books and records of CPDC and as a result the auditors have been unable to obtain sufficient audit evidence concerning CPDC's financial information for the period beginning 1 January 2016 until CPDC was disposed of on 21 February 2017 and the loss on disposal of CPDC. The auditors were unable to obtain sufficient appropriate audit evidence by other means.

   The Group acquired CPDC in 2015 and, as highlighted above, disposed of it during the period. Unfortunately, the purchasers have not allowed the Company or its auditors access to the books and records of CPDC and as a result the accounts for the 15 months ended 31 March 2017 contain the qualifications above.

2. The audit evidence available to the auditors in relation to the carrying values of $8,805,000 of CPDC on 1 January 2016 and of $6,815,00 on the disposal of CPDC was limited. This is because following the acquisition of CPDC in 2015 the directors of the Company did not complete the required fair valuation of the separately identifiable intangible assets held by CPDC. The directors initially recognised the value of the intangible assets of CPDC as the net consideration paid and net assets acquired, and estimated a five-year useful life of the intangible assets. The valuation was also not undertaken in the period beginning 1 January 2016 until the disposal of CPDC and therefore throughout the period of the accounts the assets of CPDC were not recognised in accordance with the requirements of IFRS 3 "Business Combinations". The auditors were unable to obtain sufficient audit evidence by other means.

The Directors do not believe that the above qualifications impact on the accounts as CPDC has been disposed of with no contingent liabilities or retained interest, and as a result, will not reoccur in the current financial year.

The difficulties outlined in point 1 above were also connected with a delay in the audit of a subsidiary that remains part of the Group, but this has now been satisfactorily completed. As a result, the audit of the Group was not signed off until 14 August 2017.

For more information on PCGE please visit the Company's website www.pcge.com.

Enquiries:

**PCG Entertainment PLC**

Richard Poulden, Chairman Tel: +44 207 812 0645

**Allenby Capital Limited**

Nick Naylor/Nick Harriss/James Thomas Tel: +44 20 3328 5656

**Beaufort Securities Limited**

Elliot Hance Tel: +44 20 7382 8300

**Damson Communications**

Abigail Stuart-Menteth/Amelia Hubert Tel: +44 20 7812 0645