

0700 13 February 2015

PCG Entertainment plc

(“PCGE”, the “Company” or the “Group”)

Option to acquire CPDC and Temporary Suspension

The Company announces that it has entered into an option agreement with Kolarmy Technology Inc (“Kolarmy”) and Center Point Development Corp (“CPDC”) to acquire the entire issued share capital in CPDC at a price of up to US\$20 million (the “Option”). CPDC is wholly owned and controlled by Kolarmy. The Option is a call option (neither Kolarmy nor CPDC will have a put option) to acquire the entire issued share capital in CPDC over the next six months (the “Option Period”). The Option will be capable of being satisfied in cash and/or through the issue of ordinary shares of 0.1p each in the Company (“Ordinary Shares”), entirely at PCGE’s discretion.

CPDC is a Belize registered distributor of online games software, operating in Japan, China and greater south east Asia. CPDC has an agreement in place with Ken More Venture Limited, operating as Total E-games, to resell its games to other operators. Furthermore, CPDC provides assistance to other online games operators to integrate Total E-games’ systems with distributors’ systems as well as providing technical support.

The Company stated in its admission document that its strategy was focused on the development of its business in the gaming industry in China. The Directors believe that CPDC would be a complementary acquisition for the Company which would help it accelerate the development of its gaming arm and enhance the Company’s ability to exploit its licences.

The grant price of the Option is US\$410,000 (“Option Price”). If the Company decides not to exercise the Option, the Option Price will be repaid to the Company by Kolarmy. If the Company decides to exercise the Option during the Option Period, the Company will pay an initial consideration of US\$10 million to Kolarmy (“Initial Consideration”), less the Option Price, plus a further amount (if any) not to exceed US\$10 million as PCGE may determine in its absolute discretion is a reasonable valuation for CPDC (“Further Consideration”). Such Further Consideration (if any) shall be payable in whole or in part in US\$ cash and/or PCGE Shares at PCGE's absolute discretion. There is no guarantee that any Further Consideration shall be paid and any Further Consideration payment and the quantum of any such Further Consideration (if any) will be entirely at PCGE's absolute and unfettered discretion to be further described in the acquisition agreement to be entered into prior to exercise of the Option.

Related Party Transaction

Kolarmy is a company owned and controlled by Heng Jui Lin. Mr Lin holds 19.06 per cent. of the issued share capital of the Company, through a variety of entities including Kolarmy. Mr Lin is also the brother of Kung Min Lin, Non-Executive Chairman of the Company. Accordingly, the entry into the Option is classified as a related party transaction under Rule 13 of the AIM Rules. The independent directors of the Company, in this instance comprising Nicholas Bryant, Richard Poulden, Clive Hyman, Prof. Michael Mainelli and Alan Gravett, having consulted with the Company’s nominated adviser,

Sanlam Securities UK Limited, consider that the terms of the transaction are fair and reasonable insofar as the Company's shareholders are concerned.

Suspension

The exercise of the Option would constitute a reverse takeover under Rule 14 of the AIM Rules for Companies (the "AIM Rules"). Completion of the acquisition by the Company will require publication of an admission document and shareholder approval of the transaction. Pending publication of the admission document and shareholder approval, trading in the Company's Ordinary Shares on AIM will be temporarily suspended. Publication of an admission document is expected to be within the next six months.

No guarantees can be made as to whether or not such negotiations will lead to a transaction being concluded.

In the event that within six months the Company does not (i) complete a transaction which constitutes a reverse takeover in accordance with Rule 14 of the AIM Rules or (ii) cancel the Option, admission of the Company's Ordinary Shares to trading on AIM will be cancelled.

Further updates will be delivered to the market as appropriate.

Nicholas Bryant, Chief Executive Officer of PCGE, commented: "In our admission document we stated that we intended to grow through the exploitation of our licenses and by acquisition. The board believes that the purchase of CPDC provides a strong platform for growth and a major injection of profits to the group."

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